

**ADDRESSING UNUSED AND VACANT FEDERAL
COURTHOUSES: A CASE STUDY IN MIAMI-
DADE, FLORIDA**

HEARING

BEFORE THE
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
OF THE
COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

MARCH 8, 2013

Serial No. 113-28

Printed for the use of the Committee on Oversight and Government Reform



Available via the World Wide Web: <http://www.fdsys.gov>
<http://www.house.gov/reform>

U.S. GOVERNMENT PRINTING OFFICE

81-525 PDF

WASHINGTON : 2013

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

DARRELL E. ISSA, California, *Chairman*

JOHN L. MICA, Florida	ELIJAH E. CUMMINGS, Maryland, <i>Ranking Minority Member</i>
MICHAEL R. TURNER, Ohio	CAROLYN B. MALONEY, New York
JOHN J. DUNCAN, JR., Tennessee	ELEANOR HOLMES NORTON, District of Columbia
PATRICK T. McHENRY, North Carolina	JOHN F. TIERNEY, Massachusetts
JIM JORDAN, Ohio	WM. LACY CLAY, Missouri
JASON CHAFFETZ, Utah	STEPHEN F. LYNCH, Massachusetts
TIM WALBERG, Michigan	JIM COOPER, Tennessee
JAMES LANKFORD, Oklahoma	GERALD E. CONNOLLY, Virginia
JUSTIN AMASH, Michigan	JACKIE SPEIER, California
PAUL A. GOSAR, Arizona	MATTHEW A. CARTWRIGHT, Pennsylvania
PATRICK MEEHAN, Pennsylvania	MARK POCAN, Wisconsin
SCOTT DESJARLAIS, Tennessee	TAMMY DUCKWORTH, Illinois
TREY GOWDY, South Carolina	ROBIN L. KELLY, Illinois
BLAKE FARENTHOLD, Texas	DANNY K. DAVIS, Illinois
DOC HASTINGS, Washington	PETER WELCH, Vermont
CYNTHIA M. LUMMIS, Wyoming	TONY CARDENAS, California
ROB WOODALL, Georgia	STEVEN A. HORSFORD, Nevada
THOMAS MASSIE, Kentucky	MICHELLE LUJAN GRISHAM, New Mexico
DOUG COLLINS, Georgia	
MARK MEADOWS, North Carolina	
KERRY L. BENTIVOLIO, Michigan	
RON DESANTIS, Florida	

LAWRENCE J. BRADY, *Staff Director*

JOHN D. CUADERES, *Deputy Staff Director*
STEPHEN CASTOR, *General Counsel*
LINDA A. GOOD, *Chief Clerk*
DAVID RAPALLO, *Minority Staff Director*

SUBCOMMITTEE ON GOVERNMENT OPERATIONS

JOHN L. MICA, Florida, *Chairman*

TIM WALBERG, Michigan	GERALD E. CONNOLLY, Virginia <i>Ranking Minority Member</i>
MICHAEL R. TURNER, Ohio	JIM COOPER, Tennessee
JUSTIN AMASH, Michigan	MARK POCAN, Wisconsin
THOMAS MASSIE, Kentucky	
MARK MEADOWS, North Carolina	

C O N T E N T S

	Page
Hearing held on March 8, 2013	1
WITNESSES	
Mr. John Smith, Regional Commissioner, Public Building Service, General Services Administration	
Oral Statement	7
Written Statement	10
Mr. Mark L. Goldstein, Director, Physical Infrastructure Issues, Government Accountability Office	
Oral Statement	14
Written Statement	16
Mr. Eduardo J. Padron, Ph.D., President, Miami-Dade College	
Oral Statement	31
Written Statement	33
APPENDIX	
Letter about Dyer Courthouse and Ferguson Courthouse	55
Resolution No. 05/2013, a Resolution of the Board of Directors of the Miami Downtown Development Authority	57
Dade Heritage Trust, Submitted for the Record	58
Letter from Dr. Eduardo J. Padron, Ph.D., President, Miami Dade College	59

ADDRESSING UNUSED AND VACANT FEDERAL COURTHOUSES: A CASE STUDY IN MIAMI-DADE, FLORIDA

Friday, March 8, 2013

HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
Washington, D.C.

The subcommittee met, pursuant to call, at 2:45 p.m., in Chapman Conference Room, Miami-Dade College, 300 N.E. 2nd Avenue, Miami-Dade, Florida, Hon. John L. Mica [chairman of the subcommittee] presiding.

Present: Representatives Mica and DeSantis.

Also Present: Representatives Ros-Lehtinen and Wilson.

Staff Present: Sharon Casey, Senior Assistant Clerk; Ashley Callen, Professional Staff Member; Gwen D'Luzansky, Research Analyst; Mark Marin, Director of Oversight; and Cecelia Thomas, Minority Counsel.

Mr. MICA. I would like to welcome everyone. I am Congressman John Mica. I have the honor and privilege of serving as Chair of the Government Operations Subcommittee of the House Oversight and Government Reform Committee in the United States House of Representatives, and that committee is the chief investigative committee in Congress.

I am pleased to be joined by my colleague, Mr. Ron DeSantis, a member of that committee also. He is also a Floridian, and we are delighted that he would join us here and take time in this important oversight hearing today in Miami.

Then we have two Miamians. First, the senior member with us today from the Miami delegation, former Chair of the Foreign Affairs, Government Relations, International Relations, whatever name they had there—it has changed a few times—the very distinguished lady from Miami, Ileana Ros-Lehtinen, and I believe that before redistricting she had the community college, and she is a distinguished alumnus of the Miami-Dade then-community college, now college. So we are extremely pleased that she would join us for part of this hearing, again representing Dade County and South Florida. We are just delighted to have her.

Then, a newer member in Congress, and we are pleased to have her, and she is now representing, I understand, Miami-Dade College in her congressional district, Frederica Wilson, and we are delighted to have her.

The first order of business, too, that I would take on is that I will ask unanimous consent that both Ms. Ros-Lehtinen and Ms. Wilson, not being members of the panel, be allowed to participate in this hearing today. Without objection, so ordered. Okay.

And, of course, as the two members of the panel complete their opening statements and also any questioning, you will be allowed to participate fully. So, thank you.

We have three witnesses today: John Smith, the Regional Commissioner of the Public Buildings Service at the General Services Administration; and Mr. Mark Goldstein is Director of Physical Infrastructure issues at the Government Accountability Office; and coming in the door in the left lane is Dr. Eduardo Padron, and he is the President of Miami-Dade College.

First I have to welcome him as a witness, witness today, and also partly responsible for—well, very responsible for today's hearing which is at Miami-Dade College. Dr. Padron, again, we are delighted to have you both as a witness and also as an instigator of this hearing and distinguished president of the college.

Miami-Dade, do we still hold the title of the largest community college in the world, I believe, as far as population? We are very pleased to be on the campus today.

Let me also proceed with a little bit of housekeeping. The order of business will be opening statements by members, and then we will turn to our three witnesses for their statements. But a little bit of business.

This is an investigations and oversight committee of Congress, and it is customary that we swear in our witnesses, and you all will testify today. So I would ask you to stand, if you would, raise your right hand.

[Witnesses sworn.]

Mr. MICA. Let the record reflect that the witnesses answered in the affirmative, and again I welcome them and thank them for their participation.

With that preliminary introduction and swearing in of our witnesses, I am going to take the liberty of opening with some commentary today, and then I will turn to Mr. DeSantis and our other two impaneled members of Congress.

So again, I thank Miami-Dade for hosting us. It wasn't that long ago, in fact, I see August 6, 2012, that I had the opportunity as Chairman of the Transportation and Infrastructure Committee to hold an oversight hearing. The Transportation Committee has a narrow scope of oversight, in particular over the General Services Administration and some public buildings. The committee on which I serve and have served and the subcommittee, which we are representing, Mr. DeSantis and I today, the Government Operations Committee, has very broad jurisdiction and investigative power and authority for oversight across the entire spectrum of the Federal Government.

So that hearing was held here, and a funny thing happened after that hearing. I got a letter from a fellow by the name of Dr. Padron, and I must for the record an just for putting everybody's prejudices on the table, I had the great honor of attending Miami-Dade Community College and graduating in 1965, but it wasn't this campus. So I had been away for some years and was not famil-

iar with the downtown campus. And when we arrived, of course, you can see that the Dyer Building is right across the street, and I never realized it until that August 6th hearing, the proximity of the Federal Building, the old courthouse and the Miami-Dade campus.

So Dr. Padron writes me this letter and says, Congressman Mica, thank you for holding that hearing on August 6th. We have been trying for years to get agreement or some arrangement with GSA to acquire or occupy that property. So I was quite stunned to find out that we had a very willing local—and it is a government partner, an educational institution with great value to our community, state, and nation, again someone willing to take on the responsibility of assuming the property.

That hearing that we held, and this hearing again will disclose that the property has been vacant for more than five years. It is costing \$1.2 million, on average, over \$6 million just to maintain the property, and we are also told that while it is partially maintained, it has also incurred very significant, in the tens of millions of dollars in damage and neglect by just sitting idle, now with mold and, again, deterioration of a valuable public asset.

This is particularly alarming when we are closing down essential public services, and we have here a very valuable piece of property. The assessed value is maybe \$17 million, and we pay millions to keep a vacant building vacant. And as I said, taxpayers are taking it in the wallet, and that is not appropriate at any time, whether we are going bust, as we are right now, or in the past, even when we had better revenues.

Again, the purpose of this hearing is to focus attention on valuable Federal assets that are sitting idle. This hearing is also going to focus some on hearing about valuable assets that are sitting vacant and the continued problems with space utilization, and also the issue of over-building of Federal courthouses, and we have one of those examples next door in the Ferguson Building, which was opened in 2008 and still has some space to be built out, still has some courtrooms that are under-utilized by virtue of the number of judges we have to occupy those spaces.

The other thing that I think is important to point out is that GSA has not had a plan to really move forward either before they knew for some two years that the property in question today, the Dyer Courthouse, was going to be vacated, so actually you can add two to five, you have seven or eight years in which there is no plan to dispose of or better utilize or protect taxpayer assets.

Now, some people may say, well, what is Mica doing holding another hearing down here? Sometimes it is the only way we can get GSA's attention. We started out, the very first hearing that I did as Chairman of the Transportation Committee was in the Old Post Office in Washington, D.C., downtown, two blocks from the White House, vacant. It sat vacant, the Annex next to it, for 15 years, half the space, a huge amount of space, prime real estate in the center of our nation's capital. We held that hearing, for the information of those here, I believe it was in February, and then an entire year, and we did it in—it was 32 degrees in Washington, and we did it in an empty, cold building—it was 35 degrees there—just to get folks' attention. But we didn't.

It took us another year and we came back, and on the anniversary we actually held the second hearing there, and just prior to that, days before that, GSA announced that they would be granting private-sector participation in developing the property where now 1,000 people may work, 400 hotel rooms, and instead of losing \$10 million a year, probably gaining \$10 million a year for the taxpayer in revenues from the structure.

We did a similar hearing in two other locations, and we are bat-tling 500 there. This is a good week for the taxpayers because where we held a hearing in a vacant power station building in Georgetown, also in our nation's capital, Georgetown, right behind the Ritz Carlton, 2.08 acres, which sat vacant for 10 years. This week, in fact, I think yesterday GSA announced, and maybe we can get some confirmation, an online auction that is bringing in over \$19 million for that property. Nothing was done until the day before the hearing, when GSA hoisted a "For Sale" sign over the property. But there is some partially good news in that we have that property moving forward.

The Cotton Exchange, another vacant property in the heart of our nation's capital, still sits vacant. And folks, if you think we are only talking about three or four properties, there are approximately 13,995 more to go that are vacant.

So the extra space in the Ferguson Building that isn't used costs the taxpayers \$3.5 million for rent, operation and maintenance. The building with extra space, actually the space we didn't need was another \$48.5 million. The problem of over-building and under-utilization of property is not common or unique to Miami. As I said, it is across the country. We have more than 33 new courthouses, 32 of which were overbuilt, and again, thousands of buildings and properties sitting vacant are under-utilized.

A couple of weeks ago we went out to Beltsville, Maryland, and found 7,000 acres, 500 buildings, of which 200 were vacant. So whether it is in South Florida or Maryland, on the Capital Beltway, this waste and inefficiency goes on.

So I look forward to hearing from GSA on where they are today and where we hope to be tomorrow. We also look forward to hearing from the General Accountability Office and others.

So with those opening, long remarks, but for the purpose of providing background for the record, I am pleased to yield to Mr. DeSantis.

Welcome, sir, and you are recognized.

Mr. DESANTIS. Thank you, Mr. Chairman. Thank you for holding this hearing, and thank you for your determined pursuit of inefficiencies and waste in government. I know a lot of taxpayers appreciate it. That is ultimately what we are doing here today. We have a responsibility as elected officials to serve the interests of the people who elected us and who pay the bills for this government, the taxpayers of our country. To see millions of dollars being spent in maintenance fees for empty buildings, particularly at a time when we are told we have to cut back on key services, it is something that none of us should be satisfied with.

I am also concerned, and I hope this hearing will go into the cumbersome process that can be involved in disposing of some of these Federal properties. We need to start streamlining some of

this bureaucracy and red tape. I think it is paralyzing us as a country in more ways than one. This is a small example of that.

Then I would just note, with the millions of dollars that we are talking about, in the grand scheme of the \$3.6 trillion of spending that the government does, it is admittedly a small portion. But I would remind you that recently the White House announced that they were going to suspend White House tours so that people were not going to be able to go in and tour the White House. It is about \$18,000 a week to do that. So from this point until the end of the year, if you multiply that out, it is about \$800,000 that the White House would supposedly be saving by not allowing White House tours. Simply by disposing of one of these properties, you would immediately be raising more revenue than that would cost.

So the hundreds of examples of this across the country, this money does matter, and it is important that we hold the institutions of this government accountable.

So with that, Mr. Chairman, I just thank you again, and I yield back.

Mr. MICA. Thank you, Mr. DeSantis.

Now the senior member of the delegation from South Florida, Ms. Ros-Lehtinen.

Ms. ROS-LEHTINEN. That means the old broad.

[Laughter.]

Mr. MICA. No, I did not say that. We will have to trim the record on that one.

Ms. Ros-Lehtinen, you are recognized.

Ms. ROS-LEHTINEN. Well, thank you, Mr. Chairman. What a delight it is to be in Congresswoman Wilson's district. Thank you very much for allowing us to come.

It is a pleasure to have our witnesses here, most especially Dr. Padron, who is such a community figure for all of South Florida and really our guiding light. Thank you for your work and Mr. DeSantis' work in safeguarding the people's money. This is a very valuable opportunity to talk about how we can save taxpayers money.

As we know, as the Chairman and Ron have pointed out, underutilized properties are sitting idle at tremendous cost to taxpayers and with no public benefit. The Dyer Courthouse costs the taxpayers \$1.2 million per year and nearly \$6 million since the building closed five years ago to maintain the structure alone, is what it costs. The conveyance of Dyer will further contribute to the renaissance that is contributing throughout downtown Miami.

I had an opportunity to see the renaissance as I circled around and tried to find this building. It used to be very easy to find Miami-Dade College. But the growth here is just incredible, and this sadly highlights just another example of the Federal Government's gross mismanagement of Federal property. The building sits on prime real estate in downtown Miami. It makes no sense to continue to throw money down the drain.

Miami-Dade College has an established track record of success in the planning and management of facilities development, renovation, maintenance, and operations. I know because I worked with Dr. Padron in the GSA to transfer some properties so that Miami-Dade could use it, and it was just a dream come true, and every

little inch of space that they could have is making somebody's dream come true.

The courthouse has been vacant, as I said, for five years, since the Wilkie D. Ferguson, Jr. U.S. Courthouse opened just across the street in 2008. According to GSA, the building needs \$60 million in renovations to make it usable for other Federal agencies or for the private sector. Currently, the courthouse shares facilities, including utility infrastructure, parking facilities, courtyard and tunnels with the neighboring C. Clyde Atkins Courthouse, and GSA estimates that it will cost \$10 million to separate the courthouse from the Atkins Courthouse.

I know that they have issued a request for information. Twenty-four parties have indicated interest in the courthouse, and I hope that this meeting that you are having today, Mr. Chairman, will give us an opportunity of finding out what better uses of taxpayer money we can have, rather than having that facility drain us.

So thank you very much, Mr. Chairman, for having this hearing, and I regret that I will not be able to stay for the entirety as I have another engagement.

Mr. MICA. We are very pleased that you would take time and join us today, and I know that you have a full commitment. But again, since this is so important on your agenda, we wanted to give you that opportunity.

And now, representing the area now and the community college, is Representative Wilson, and we are delighted to have her join our panel, and I would like to recognize you now for an opening statement or comment.

Ms. WILSON. Thank you. Thank you so much, Chairman Mica, and welcome to District 24. I am happy to have all of you here. Dr. Padron and I have worked together for maybe 25 years now. When I got the information that this had something to do with impacting students at Miami-Dade College, immediately my antennas went straight up because at Miami-Dade Community College, at Miami-Dade County, all across the county, I have more than 10,000 children enrolled that I personally sent to this college. So I know the difference, and I know what will happen when we do what we are supposed to do as a government to improve Miami-Dade even more.

I know we cannot spread out anymore because there is no room downtown. But that Dyer Building is there for us, and we are going to make sure that we work closely with Mr. Smith. I had a meeting with him this morning about another issue up north with the FBI Building and the leasing of that, another property in my district, and a new FBI Building that is being built in my district at Miramar. So we have been getting acquainted on many levels.

I just hope that with today's hearing we can say that GSA and Miami-Dade and the government can continue to work together until we find a resolution to this. It is going to be good for the community, it is good for the government, and to me it is a cost savings because the building is empty, and I am just wondering what will happen if we sell some of these properties and use that money to retrofit the Dyer Building for the use by Miami-Dade Community College.

My heart is here with all of my children, and I send 1,000 a year. They are coming constantly, and all of them are boys who ordi-

narily would not even have college in their portfolio. But with the help of this entire community, we have been able to send these young men to college, and we have some teaching here now, Dr. Padron, that you have hired. Yes, you know the 5,000 Role Models project.

Mr. Mica, this is something that this community is proud of, and Miami-Dade is in the heart of it with these young men. So it is a pleasure to have you here, and it is a pleasure—you can come as often as you want until we find a solution to this problem, because this is important to this community. Thank you.

Mr. MICA. Well, thank you. The next time I plan to be here, I will be hopefully with the two representatives from South Florida as we cut a ribbon and this building has some useful purpose, with less cost to the taxpayers and it is not sitting idle. We are going to do it together, and I appreciate both of you coming for a few minutes and taking time out of your schedules to be with us.

We have one representative of Mario Diaz-Balart's office. Ms. Cosio, are you here? I know Mr. Diaz-Balart could not be with us, but he sent his representative.

Are there any other representatives from any of the other congressional offices? Senator Rubio's office? And your last name, for the record? Higgins, Ms. Higgins, Cruz Higgins. Well, thank you so much for the Senator and Congressman sending representatives today and for their interest and support, too.

So with that, we also have Ms. Thomas with the minority.

I am going to ask unanimous consent that we keep the record open for a period of two weeks for additional statements, if that is acceptable, Ms. Thomas. We want everyone on the committee and anyone else who has interest to submit questions. Also, we may have some additional questions we will submit to the witnesses. We do rather formal presentations in these hearings, and sometimes limited in time, but we can add to the record.

So without objection, so ordered. The record is left open for a period of two weeks.

With that, we have again our witnesses, our three witnesses today. We have Mr. John Smith, Regional Commissioner of the Public Building Service at the General Services Administration. I will recognize him first.

Our order of recognition, gentlemen, we usually give you five minutes, and then, as I said, if you have additional lengthy statements, documents that you want made part of the record, just ask the Chair and we will comply with that.

So with that, we will recognize first Mr. Smith of GSA. You are welcome and recognized.

WITNESS STATEMENTS

STATEMENT OF JOHN SMITH

Mr. SMITH. Thank you, Mr. Chairman. Good afternoon, Chairman Mica, Congressman Wilson, Congresswoman Ros-Lehtinen, and Congressman DeSantis. My name is John Smith. I am the Regional Commissioner for GSA's Public Building Service in the Southeast Sunbelt Region. Thank you for the opportunity to join

you here today at Miami-Dade College to discuss the David W. Dyer Federal Building and U.S. Courthouse.

Under new leadership, GSA has refocused on its mission of delivering the best value in real estate acquisition and technology services to the government and to the American people. To meet this mission, GSA is working with agencies across the government to improve utilization and reduce space requirements by effectively managing our assets and pursuing innovative real property proposals that will deliver better space to Federal agencies.

GSA is one of more than two dozen major Federal landholding agencies. GSA manages just 9,600 of the more than 834,000 buildings and structures reported in the Federal Real Property Profile. Of those 9,600, GSA's Southeast Sunbelt Region is responsible for approximately 1,600.

We have a robust asset management program to track the utilization of our inventory, strategically invest in our assets where needed, and aggressively dispose of unneeded assets. As a result, we lead the market in our vacancy rates and utilization. In the Southeast Sunbelt Region, only 1.9 percent of our portfolio is under-utilized.

When we identify vacant space in areas where there is a continuing Federal need, GSA works aggressively to renovate and reuse the asset to greater achieve better utilization. We also work diligently to identify unneeded assets for disposal. Since 2005, GSA has disposed of more than 300 of our own assets, generating proceeds of more than \$116 million. In the Southeast Sunbelt Region alone, we have disposed of 20 GSA assets since 2005, generating \$20.3 million.

In addition to managing our own inventory, GSA has the authority to dispose of most Federal real property government-wide. In the last 10 years, GSA has disposed of more than 2,800 assets. GSA Sunbelt Region has helped to dispose of more than 300 of these.

Today the committee has chosen to discuss the historic Dyer Courthouse, a property for which we are actively exploring repositioning strategies. The Dyer Courthouse was constructed in 1933 and listed in the National Register of Historic Places in 1983. The courts and court-related activities substantially occupied the building until the fall of 2008. In 2008, GSA completed construction of the new Wilkie D. Ferguson U.S. Courthouse, and tenants of the Dyer Building vacated to occupy the newly constructed Courthouse. At that time, the initial asset management strategy was to renovate and backfill the Dyer for purposes of lease cost avoidance and preservation of an historically significant asset, which is consistent with GSA's strategic preference for owned assets over continued leasing solutions.

GSA's lease portfolio in Miami amounts to nearly 3 million square feet. However, GSA has since made a decision that in the absence of capital to renovate the facility, we will explore repositioning the Dyer Courthouse. GSA is currently exploring ways to do so. In August of 2012, we issued a request for information seeking ideas for redeveloping and preserving the property. We received interest from two sources, neither of which offered a viable option as proposed. However, we are happy to work with Miami-Dade Col-

lege and the other respondent to see if there are ways to make their proposals more workable.

Additionally, Miami-Dade College's proposal to get the property under a public benefit conveyance would require us to report this property excess. In light of that interest, we are currently preparing a due diligence for a report of excess while assessing other potential strategies for the building.

Repositioning the courthouse will not be without challenges, the Atkins Courthouse next door and the Dyer share of the utility infrastructure, parking, mechanical systems and tunnels. The preliminary cost to separate and replace these connections exceeds \$10 million. GSA is exploring all potential repositioning strategies, and we have engaged the public and private sector to find a strategy with the highest benefit to the taxpayer.

We are pleased to see the interest from Miami-Dade College and look forward to working further with them. GSA is committed to carrying out its mission of delivering the best value in real estate acquisition and technology services to the government and to the American people. We continue working aggressively to manage our own assets while pursuing other innovative new processes to better utilize our inventory.

The Southeast Sunbelt Region is pleased to assist with these efforts. We look forward to finding the best strategy to reposition this property and working with the committee to continue to utilize Federal real estate more effectively.

I welcome the opportunity to be here, and I am happy to answer any questions.

[Prepared statement of Mr. Smith follows:]

Good morning Chairman Mica and members of the Subcommittee. My name is John Smith, and I am the Regional Commissioner for the U.S. General Services Administration's (GSA) Public Buildings Service (PBS) in the Southeast Sunbelt Region. Thank you for the opportunity to join you here today at Miami-Dade College to discuss the David W. Dyer Federal Building and U.S. Courthouse.

Under new leadership, GSA has refocused on its mission of delivering the best value in real estate, acquisition, and technology services to government and the American people. To meet this mission, GSA is working with agencies across government to improve utilization and reduce space requirements by effectively managing our assets and pursuing innovative real property proposals that will deliver better space to Federal agencies.

These efforts are in line with the Administration's goals of promoting efficiency and effectiveness across the government, particularly in real property management, and GSA's Southeast Sunbelt Region is doing its part to create savings on behalf of the American taxpayer.

Better Utilizing Federal Real Estate

The Administration has moved aggressively to ensure that Federal agencies better utilize their real estate. In June 2010, the President issued a Memorandum entitled "Disposing of Unneeded Federal Real Estate," which charged civilian agencies to utilize space, reduce operating costs, and dispose of unneeded real property more effectively to save \$3 billion by the end of 2012. Detailed results on the savings achieved as a result of this initiative are on track to be published soon.

To further save money on real estate, the President proposed a bill that would usher in a new approach to Federal real estate, the Civilian Property Realignment Act. Building upon the successful model established by the Defense Base Realignment and Closure Commission, the President's proposal would create an independent board of experts to identify opportunities to consolidate, reduce, and realign the Federal civilian real estate footprint, as well as expedite the disposal of properties.

This proposal would utilize bundled recommendations, a fast-track Congressional procedure, streamlined disposal and consolidation authorities, and a revolving fund replenished by sales proceeds to provide logistical and financial support to agencies in their disposal of high-value properties. It would be a comprehensive solution to key obstacles, such as red tape and competing stakeholder interests that hinder the Federal Government's progress on improving real estate management decisions.

Most recently, Acting OMB Director Jeffrey Zients issued a May 11, 2012, memorandum, entitled "Promoting Efficient Spending to Support Agency Operations," which stated, among other things, that agencies may not increase the size of their civilian real estate inventory. Any increase in an agency's total square footage of civilian inventory must be offset through consolidation, co-location, or disposal of space.

All of these initiatives are improving the Federal Government's management of real estate, ensuring that agencies make cost-effective decisions, and saving taxpayers' money.

GSA's Asset Management

GSA is one of more than two dozen major Federal landholding agencies. Of the more than 834,000 buildings and structures reported by agencies in the FY 2011 Federal Real Property Profile (FRPP), GSA manages just 9,600. This number accounts for about 375 million of the nearly 3.3 billion square feet of space under the government's control, or slightly over 10 percent. GSA's Southeast Sunbelt Region is responsible for 1,587 of these assets.

In GSA's capacity as one of many landholding agencies, we supply office space to other Federal agencies in support of their mission. We have a robust asset management program to track the utilization of our inventory, strategically invest in our assets, where needed, and aggressively dispose of unneeded assets.

As a result of our efforts, we lead the market with our vacancy rates and utilization. When we identify vacant space in areas where there is a continuing Federal need, GSA works aggressively to renovate and reuse the asset to achieve greater utilization.

GSA also works diligently to identify unneeded assets for disposal. Since 2005, GSA has disposed of more than 300 of our own assets, generating proceeds of more than \$116 million. In the Southeast Sunbelt Region alone, we've disposed of 20 GSA assets since 2005, generating \$20.3 million.

One such disposal in the Southeast Sunbelt Region is the James O. Eastland Federal Building and Courthouse in Jackson, MS. The Eastland Federal Building, which has 115,829 gross square feet of office and related space and is situated on 1.5 acres of land, was listed in the National Register of Historic Places in 1976 as a contributing property to the Smith Park Architectural District. GSA began an online auction in August 2011, and sold the property to a local Jackson developer, David Watkins, on March 1, 2012, to be transformed into an institute for the arts.

GSA as Disposal Agent for the Government

In addition to managing our own inventory, GSA has authority to dispose of most federal real property governmentwide, particularly administrative assets. GSA provides strategic direction and oversees the development of programs related to the utilization and disposal of Federal excess and surplus real property governmentwide.

GSA develops tailored disposal strategies specific to an asset's characteristics, environmental issues, community interests, political concerns, market conditions, and other factors impacting the repositioning of the unneeded asset. Similarly, when preparing a property for public sale,

GSA develops marketing plans that optimize the public offering. We use tools and techniques designed to reach very broad audiences and we target specific niche interests.

While GSA has the expertise to navigate properties through this disposal process successfully, each individual landholding agency is responsible for making its own asset management decisions as to whether an asset is excess to its needs.

In the last 10 years, GSA has disposed of 2,869 Federal assets. GSA's Southeast Sunbelt Region helped to dispose of 321 of these Federal assets. The majority of these disposals were on behalf of other Federal agencies, and were not GSA assets. GSA conducted the majority of these disposals via public sales on www.realestatesales.gov (previously known as www.auctionrp.com), which provides a cost-effective way to reach the widest possible developmental interests and maximize the return for taxpayers.

The Dyer Courthouse

Today, the Committee has chosen to discuss the historic Dyer Courthouse, a property for which we are actively exploring repositioning strategies.

The Dyer Courthouse was constructed in 1933 and listed in the National Register of Historic Places in 1983. The Courts and court-related activities substantially occupied the building until 2008. The Courthouse has 160,238 rentable square feet of space.

In 2008, GSA completed construction of the new Wilkie D. Ferguson U.S. Courthouse, and tenants of the Dyer building vacated to occupy the newly constructed courthouse. There are a number of unique characteristics associated with the Dyer building, including shared buildings systems with its sister property, the C. Clyde Atkins U.S. Courthouse. Additionally, GSA's leased portfolio in Miami totals to nearly 3 million square feet. At the time of completion of the Ferguson Courthouse, the initial asset management strategy was to renovate and backfill Dyer for the purposes of lease cost avoidance and preservation of a historically significant asset. This approach was consistent with GSA's strategic preference for owned assets over continued leasing solutions.

However, GSA has since made the decision that it would be more cost effective to reposition the Dyer courthouse given the estimated \$60 million renovation cost. GSA is currently exploring ways to reposition this property. GSA issued a Request for Information on August 1, 2012, seeking ideas for redeveloping and preserving the property. GSA received expressions of interest from only two sources. Neither source offered a viable alternative as proposed; however, we are working with the interested parties to see if there is a way to make them workable. We currently are preparing due diligence for a Report of Excess while assessing other potential strategies for the building.

Repositioning the courthouse will not be without some unique challenges. As mentioned, multiple buildings share the utility infrastructure, parking, courtyard, and tunnels, and the

preliminary cost estimates to separate the connections and create separate stand-alone operations exceed \$10 million. GSA is exploring all potential repositioning strategies and engaging the private sector to find the strategy with the highest chance of success and the highest return to the taxpayer.

Conclusion

GSA is committed to carrying out its mission of delivering the best value in real estate, acquisition, and technology services to government and the American people. We are continuing our work to aggressively manage our own assets while also pursuing innovative new processes to better utilize our inventory.

The Southeast Sunbelt Region is pleased to assist with these efforts. The Dyer Courthouse is one property that helps to highlight the challenges of developing long-term asset strategies in changing fiscal times, and the unique characteristics of properties that can present hurdles to repositioning. GSA looks forward to finding the best strategy to reposition this property and working with the Committee to continue our efforts to utilize federal real estate more effectively.

I welcome the opportunity to be here, and I am happy to answer any questions.

Mr. MICA. Thank you, and we will hold questions until we have heard from all of the witnesses.

I will next recognize John Smith. He is the Regional Commissioner of Public Buildings at the—I am sorry. We just finished with him, and certainly he has been recognized.

But Mark Goldstein is Director of Physical Infrastructure Issues at the Government Accountability Office. He is our next witness, and we welcome him, and he is recognized. Thank you.

STATEMENT OF MARK L. GOLDSTEIN

Mr. GOLDSTEIN. Thank you, Mr. Chairman. Mr. Chairman and members of the subcommittee, I am pleased to be here today to discuss our work on Federal courthouse construction and how it specifically relates to Miami, Florida. Since the early 1990s, the General Services Administration and the Federal Judiciary have undertaken a multibillion-dollar courthouse construction initiative that, to date, has resulted in 78 new courthouses or annexes, with 18 additional projects in various stages of development. This includes the Ferguson Courthouse, which was completed in 2008, at a cost of approximately \$163 million. However, rising costs and other budget priorities have slowed the construction program.

My testimony today discusses the Ferguson Courthouse and the other 32 Federal courthouses completed from 2000 to March 2010, particularly whether the courthouses contain extra space and any costs related to that space, how the actual size of courthouses compare with the congressionally authorized size, how courthouse space based on the Judiciary's 10-year estimates of the number of judges compares with the actual number of judges, and whether the level of courtroom sharing supported by data from the Judiciary's 2008 Study of District Courtroom Sharing could have changed the amount of space needed in these courthouses. This testimony is primarily based on our June 2010 report on this issue, updated and informed by our current work in this area.

Our report and recent work have provided several findings. First, GAO found that the Ferguson Courthouse, along with the other 32 Federal courthouses completed since 2000, include 3.56 million square feet of extra space consisting of space that was constructed above the congressionally authorized size due to overestimating the number of judges the courthouses would have and without planning for courtroom sharing among judges. Overall, this space represents about nine average-sized courthouses. The estimated cost to construct the space was approximately \$835 million, and the annual cost to rent, operate and maintain it is \$51 million.

The Ferguson Courthouse specifically included approximately 238,000 extra square feet of space, which we estimated increased the construction costs by \$48.5 million in constant 2010 dollars, and an additional \$3.5 million annually.

Second, the Ferguson Courthouse, along with 26 others completed since 2000, exceed their congressionally authorized size by a total of 1.7 million square feet. Specifically, the Ferguson Courthouse exceeded its authorized size by 97,000 square feet due to judiciary and common spaces that were larger than planned. For example, the 16 courtrooms in the Ferguson Courthouse exceed Judiciary standards by between 7 to 17 percent. GSA did not explain

to its oversight committees that the courthouses were larger than authorized and did not attribute any of the cost increase to this difference. However, there is no statutory requirement for GSA to notify Congress, its authorizing or its appropriating committees, if the size exceeds the authorized square footage.

Third, the Ferguson Courthouse, along with 22 of the 28 courthouses whose space planning occurred at least 10 years ago, has fewer judges than were estimated. The Judiciary overestimated the number of judges that would be located in these courthouses, causing them to be approximately 887,000 square feet larger than necessary, resulting in unnecessary construction and operating costs.

In the Ferguson Courthouse, the Judiciary estimated in 2000 that it would have 33 judges in Miami by 2010; it had 27 at the time of our report. This resulted in 57,000 extra square feet of space, including several courtrooms that were never finished.

Fourth, using the Judiciary's own data, GAO designed a model for courtroom sharing which shows that there is enough unscheduled courtroom time for substantial courtroom sharing. Sharing could have reduced the number of courtrooms needed in the Ferguson Courthouse and the other 21 courthouses built from 2002 to 2010 by 126 courtrooms, which is about 40 percent of the total courtrooms constructed since 2000. It covers about 946,000 square feet. In Miami, we found that courtroom sharing would have allowed a reduction of 12 courtrooms covering 83,000 square feet.

This raises questions about whether the Ferguson Building needed to be constructed at all. Based on the number of judges located in Miami, the Judiciary would only need 17 courtrooms based on our sharing model, and there were already 29 courtrooms in the Judiciary's existing buildings before Ferguson.

In our 2010 report, GAO recommended that GSA should establish controls to help ensure courtrooms remain within their authorized size and that the Judiciary should improve its estimation of future judgeships and expand courtroom sharing policies.

Neither the GSA nor the Judiciary fully agreed with our recommendations, although some of these recommendations have been implemented.

Mr. Chairman, this concludes my testimony. I would be happy to respond to questions the subcommittee may have. Thank you.

[Prepared statement of Mr. Goldstein follows:]

G A O
GAO Accountability • Integrity • Reliability

Highlights

Highlights of GAO-13-461T, a testimony before Subcommittee on Government Operations, Committee on Oversight and Government Reform, House of Representatives.

Why GAO Did This Study

From 2000 to 2010, GSA and the judiciary coordinated to construct 33 courthouses, including the Ferguson Courthouse that was completed in 2008 at a cost of approximately \$163 million. However, rising costs and other budget priorities slowed the overall construction program.

This statement discusses the Ferguson Courthouse and the other 32 federal courthouses completed from 2000 to March 2010, particularly (1) whether the courthouses contain extra space and any costs related to that space, (2) how the actual sizes of the courthouses compare with the congressionally authorized sizes, (3) how courthouses space based on the judiciary's estimates compares with the actual number of judges, and (4) whether the level of courtroom sharing supported by data from the judiciary's study could have changed the amount of space needed in these courthouses. This testimony is primarily based on GAO's June 2010 report on federal courthouse construction. For the 2010 report, GAO analyzed documents related to the 33 courthouses completed from 2000 to 2010.

What GAO Recommends

GAO recommended that GSA establish controls to help ensure courthouses remain within their authorized size and that the judiciary should improve its estimation of future judgeships and expand courtroom sharing policies to reflect actual scheduling and use of district courtrooms. GSA and the judiciary agreed to implement these recommendations.

View GAO-13-461T. For more information, contact Mark Goldstein at (202) 512-2834 or goldstein@gao.gov.

March 8, 2013

FEDERAL COURTHOUSE CONSTRUCTION**Nationwide Space and Cost Overages Also Apply to Miami Project****What GAO Found**

The Wilkie D. Ferguson, Jr. U.S. Courthouse in Miami, Florida, along with the other 32 federal courthouses completed from 2000 to March 2100 include 3.56 million square feet of extra space consisting of space that was constructed (1) above the congressionally authorized size, (2) because of overestimating the number of judges the courthouses would have, and (3) without planning for courtroom sharing among judges. Overall, this extra space represents about 9 average-sized courthouses. The estimated cost to construct this extra space was \$835 million in 2010 dollars, and the annual cost to rent, operate, and maintain it is \$51 million. The Ferguson Courthouse specifically included approximately 238,000 extra square feet of space, which GAO estimated increased the construction cost by \$48.5 million (in constant 2010 dollars) and an additional \$3.5 million annually.

The Ferguson Courthouse, along with 26 others completed since 2000, exceed their congressionally authorized size by a total of about 1.7-million square feet. Specifically, the Ferguson Courthouse exceeds its authorized size by 97,477 square feet because of judiciary and common spaces that are larger than the congressionally authorized plan. For example, the 16 courtrooms in the Ferguson Courthouse exceed judiciary standards by 7 to 17 percent. The General Services Administration (GSA) did not inform its oversight committees that the courthouses were larger than authorized and did not attribute any of the cost increase to this difference. However, there is no statutory requirement for GSA to notify congressional authorizing or appropriations committees if the size exceeds the congressionally authorized square footage.

The Ferguson Courthouse, along with 22 other courthouses have fewer judges than was estimated. The federal judiciary (judiciary) overestimated the number of judges that would be located in these courthouses, causing them to be approximately 887,000 square feet larger than necessary resulting in unnecessary construction and operating costs. In the Ferguson Courthouse, the judiciary estimated in 2000 that it would have 33 judges in Miami by 2010; it had 27 at the time of GAO's 2010 report. This 2000 estimate resulted in 57,000 extra square feet of space, including space for 2 courtrooms that were never finished.

Using the judiciary's data, GAO designed a courtroom sharing model, which shows that there is enough unscheduled courtroom time for substantial courtroom sharing. Sharing could have reduced the number of courtrooms needed by 126 courtrooms in 27 of the courthouses built from 2000 to 2010—about 40 percent of the total courtrooms constructed—covering about 946,000 square feet. In Miami, GAO found that courtroom sharing would have allowed a reduction of 12 courtrooms covering 83,000 square feet. GAO's 2010 findings, raise questions about whether the Ferguson Building needed to be constructed. Based on the number of judges located in Miami, the judiciary would need only 17 courtrooms based on GAO's sharing model, and there were already 29 courtrooms in the judiciary's existing buildings.



United States Government Accountability Office
Washington, DC 20548

Chairman Mica, Ranking Member Connolly, and Members of the Subcommittee:

I am pleased to be here to discuss our work on federal courthouse construction and how it specifically relates to Miami, Florida. Since the early 1990s, the General Services Administration (GSA) and the federal judiciary (judiciary) have undertaken a multibillion-dollar courthouse construction initiative that to date has resulted in 78 new courthouses or annexes,¹ with 16 additional projects in various stages of development. However, rising costs and other budget priorities have slowed the construction program. This testimony discusses the Wilkie D. Ferguson, Jr., U.S. Courthouse in Miami (the Ferguson Courthouse) among the 33 federal courthouses completed from 2000 to March 2010, particularly (1) whether these courthouses contain extra space and any costs related to that space, (2) how the actual sizes of the courthouses compare with the congressionally authorized sizes, (3) how courthouse space based on the judiciary's 10-year estimates of the number of judges compares with the actual number of judges, and (4) whether the level of courtroom sharing supported by data from the judiciary's 2008 study of district courtroom sharing could have changed the amount of space needed in these courthouses.

This testimony is primarily based on our June 2010 report on federal courthouse construction.² For our June 2010 report, we analyzed planning, construction, and budget documents associated with all 33 federal courthouses or major annexes completed from 2000 through March 2010. In addition, we selected 7 of the federal courthouses in our scope to analyze more closely as case studies, including the Ferguson

¹ An annex is an addition to an existing building. For the purpose of this report, projects that include construction of an annex are considered new courthouse projects.

² GAO, *Federal Courthouse Construction: Better Planning, Oversight, and Courtroom Sharing Needed to Address Future Costs*, GAO-10-417 (Washington, D.C.: June 21, 2010). We also updated the status of the courthouse construction initiative, Miami courthouses, and related GAO recommendations.

Courthouse.³ We conducted that performance audit from September 2008 to June 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. More detail on our scope and methodology is available in the full report.

Background

The Administrative Office of the U.S. Courts is an organization within the judicial branch that serves as the central support entity for federal courts, and is supervised by the Judicial Conference of the United States. The Judicial Conference serves as the judiciary's principal policy-making body and recommends national policies and legislation, including recommending additional judgeships to Congress. *The U.S. Courts Design Guide* (*Design Guide*) specifies the judiciary's criteria for designing new court facilities and sets the space and design standards for court-related elements of courthouse construction. In 1993, the judiciary also developed a space planning program called AnyCourt to determine the amount of court-related space the judiciary will request for a new courthouse based on *Design Guide* standards and estimated staffing levels. GSA and the judiciary plan new federal courthouses based on the judiciary's estimated 10-year space requirements. For courthouses that are selected for construction, GSA typically submits two detailed project descriptions, or prospectuses, for congressional authorization: one for site and design and the other for construction. Prospectuses are submitted to the Senate Committee on Environment and Public Works and the House Committee on Transportation and Infrastructure for authorization.⁴ Once

³ The seven case study courthouses include the Bryant U.S. Courthouse Annex in Washington, D.C.; the Coyle U.S. Courthouse in Fresno, California; the D'Amato U.S. Courthouse in Central Islip, New York; the DeConcini U.S. Courthouse in Tucson, Arizona; the Eagleton U.S. Courthouse in St. Louis, Missouri; the Ferguson U.S. Courthouse in Miami, Florida; and the Limbaugh, Sr., U.S. Courthouse in Cape Girardeau, Missouri.

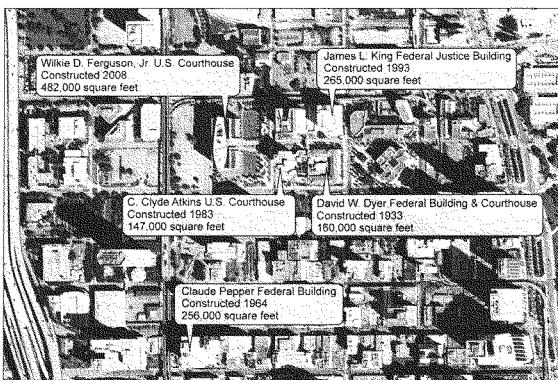
⁴ For purposes of this testimony, we refer to these committees as "authorizing committees" when discussing the submission of the prospectuses and providing additional information relating to prospectuses to these committees. Furthermore, for purposes of this testimony, we refer to approval of these projects by these committees as "congressional authorization." See 40 U.S.C. § 3307.

authorized, Congress can appropriate funds for courthouse projects, often at both the design and construction phases. GSA manages the construction contract and oversees the work of the construction contractor. After courthouses are occupied, GSA charges the judiciary and any other tenants rent for the occupied space and for their respective share of common areas.

In Miami, Florida, the judiciary is spread across several courthouses with a total of 43 courtrooms. Figure 1 illustrates the location and orientation of these buildings in downtown Miami.

- Wilkie D. Ferguson, Jr. U.S. Courthouse. Constructed in 2008 at a cost of approximately \$163 million, the courthouse has 14 finished courtrooms and unfinished space for 2 additional courtrooms that were never completed.
- James L. King Federal Justice Building. Constructed in 1993, the courthouse has 7 courtrooms and houses elements of the district and appellate courts along with other judiciary tenants.
- C. Clyde Atkins U.S. Courthouse. Constructed in 1983, the courthouse has 9 courtrooms.
- Claude Pepper Federal Building. Constructed in 1964, the courthouse has 3 courtrooms and houses other non-court-related federal tenants.
- David W. Dyer Federal Building and Courthouse. Constructed in 1933, the courthouse has 10 courtrooms and has been vacant since 2008.

Figure 1: Location of Federal Judiciary Buildings in Downtown Miami, Florida



**Extra Space in
Courthouses Costs an
Estimated \$835
Million in Constant
2010 Dollars to
Construct and Costs
\$51 Million Annually
to Rent, Operate, and
Maintain**

Thirty-two of the 33 federal courthouses completed since 2000 include extra space totaling 3.56 million square feet. Overall, this extra space amounts to about 9 average-sized courthouses. The estimated cost to construct this extra space, in 2010 dollars, is \$835 million.⁵ The extra space and its causes are as follows:

- 1.7-million square feet because of construction in excess of congressional authorizations;
- 887,000 square feet because the judiciary overestimated the number of judges the courthouses would have in 10 years; and
- 946,000 square feet because district and magistrate judges do not share courtrooms.⁶

In addition to higher construction costs, the extra square footage in these 32 courthouses results in an additional \$51 million in annual rent, operations, and maintenance costs. Based on our analysis of the judiciary's rent payments to GSA for these courthouses at fiscal-year-2009 rental rates, the extra courtrooms and other judiciary space increase the judiciary's annual rent payments by \$40 million. In addition, we estimated that the extra space cost \$11 million in fiscal year 2009 to operate and maintain.⁷ Typically, operations and maintenance costs represent from 60 to 85 percent of the costs of a facility over its lifetime, while design and construction costs represent about 5 to 10 percent.⁸ Therefore, the ongoing operations and maintenance costs for the extra square footage are likely to total considerably more in the long run than the construction costs for this extra space.

⁵ The estimated construction cost of the extra space was \$640 million in nominal (unadjusted) dollars. We adjusted for inflation, to constant 2010 dollars, using a price index for construction costs from the Bureau of Economic Analysis and Global Insight.

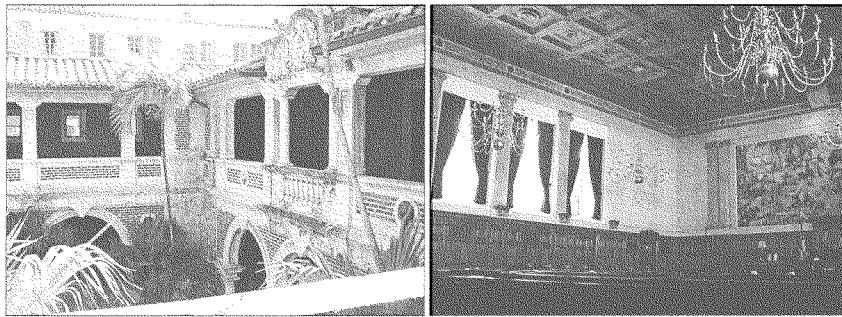
⁶ Note: these numbers do not add to 3.56 million due to rounding.

⁷ We did not attempt to calculate the rent attributable to the extra square footage due to exceeding congressionally authorized gross square footage because some of this extra square footage is for tenants other than the judiciary or occurs in building common or other space, the costs of which are not directly passed on to the judiciary in rent. We therefore calculated the annual operations and maintenance costs for all extra space due to exceeding congressionally authorized gross square footage and for the extra building common and other space due to overestimating the number of judges and judges not sharing courtrooms.

⁸ The remaining lifetime costs include land acquisition, planning, renewal/revitalizations, and disposal.

The Ferguson Courthouse is an example that includes all three causes of extra space. It contains approximately 238,000 extra square feet of space, which we estimated increased the construction costs by \$48.5 million dollars in constant 2010 dollars and costs an additional \$3.5 million annually to rent, operate, and maintain. In addition to building the Ferguson Courthouse larger than necessary, the judiciary has abandoned the historic Dyer Courthouse, which has remained vacant since 2008, with its 10 courtrooms (see fig. 2). Considering the extent of the extra space built, it is unclear if the Ferguson Courthouse would have been necessary had the judiciary retained use of the Dyer Courthouse.

Figure 2: The Center Courtroom Entrance and Interior in the Dyer U.S. Courthouse



Source: GAO.

In response to our June 2010 report, GSA cited serious concerns with our methodology for determining the costs associated with the extra space. However, our methodology applied GSA's policies and used data directly from original documents and sources, and our cost estimation methodology balanced higher and lower cost construction space to create a conservative estimate of the costs associated with the extra space in courthouses. We believe that our findings were presented in a fair and accurate way and illustrated how unnecessary construction creates both extra construction and ongoing costs that could affect future courthouse projects if they are similarly planned and constructed.

Most Courthouses Exceeded the Congressionally Authorized Size because of a Lack of GSA Oversight

According to GSA officials, controlling the gross square footage of a courthouse is the best way to control construction costs. However, as we reported in June 2010, 27 of the 33 federal courthouses constructed since 2000 exceeded their congressionally authorized size,⁹ resulting in about 1.7 million more square feet than authorized. Fifteen of the 33 courthouses exceeded their congressionally authorized size by 10 percent or more, including the Ferguson Courthouse. Congress authorized 508,323 gross square feet for the Ferguson Courthouse, but the actual size of the building is 605,800 gross square feet—97,477 square feet above the authorized size.

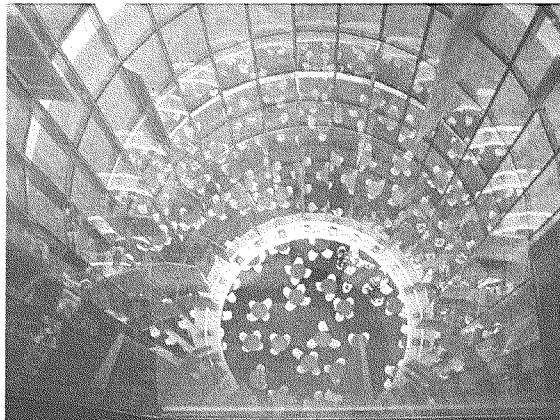
Our 2010 report found that space constructed above congressionally authorized levels was primarily the result of extra judiciary and common space. For example, the Ferguson Courthouse has 47,000 more square feet of judiciary space—such as courtrooms and offices—and 44,443 extra square feet of common space—such as lobbies and mechanical spaces—than in the congressionally authorized plan. Among other things, the 14 regular district courtrooms built in this courthouse are each about 2,800 square feet, 17 percent larger than the *Design Guide* standard. The 2 special proceedings courtrooms on the 13th floor are 3,200 square feet, or 7 percent larger than the *Design Guide* standard. GSA did not explain to its oversight committees that the courthouses were larger than authorized and did not attribute any of the cost increase to this difference. However, there is no statutory requirement for GSA to notify congressional authorizing or appropriations committees if the size exceeds the congressionally authorized square footage.

We also found in 2010 that GSA lacked sufficient controls to ensure that the 33 courthouses were constructed within the congressionally authorized gross square footage. Although GSA had established a policy for consistently measuring gross square footage by 2000, it had not ensured that its policy was understood and followed. According to GSA officials, until 2007, the agency did not focus on ensuring that the authorized gross square footage was met in the design and construction of courthouses.

⁹ For all 33 courthouses in our scope, we used the congressionally authorized gross square footage for the construction of the courthouse. We compared the authorized gross square footage, including inside parking, with the actual gross square footage, including inside parking.

According to a GSA official, courthouses were designed, at times, to meet various design goals without an attempt to limit the size of the building's common or other space to the square footage allotted in the plans provided to congressional authorizing committees. Thus, spaces may have become larger to serve a particular design goal. Another element of GSA's lack of oversight in this area was that GSA relied on the architect to validate that the courthouse's design was within the authorized gross square footage without ensuring that the architect followed GSA's policies for how to measure certain commonly included spaces, such as atriums. Although GSA officials emphasized that open space for atriums would not cost as much as space completely built out with floors, these officials also agreed that there are costs associated with constructing and operating atrium space. Figure 3 illustrates the atrium in the Ferguson Courthouse.

Figure 3: Atrium in the Ferguson Courthouse in Miami, Florida

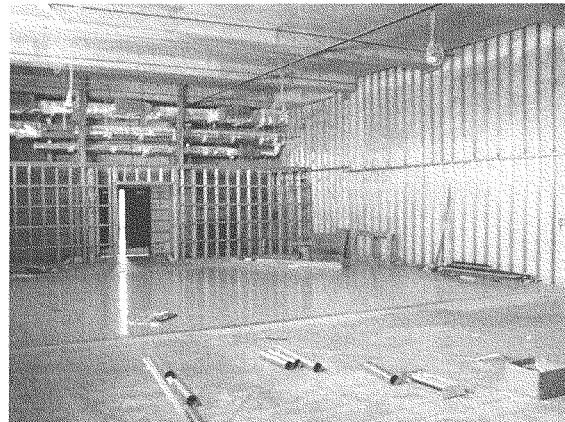


Source: GAO.

**Estimated Space
Needs Exceeded
Actual Space Needs,
Resulting in
Courthouses That
Were Larger than
Necessary**

Of the 33 courthouses built since 2000, 28 have reached or passed their 10-year planning period and 23 of those 28 courthouses have fewer judges than estimated, including the Ferguson Courthouse. As we reported in June 2010, for these 28 courthouses, the judiciary has 119 fewer judges than the 461 it estimated it would have, resulting in approximately 887,000 extra square feet. In the Ferguson Courthouse, the judiciary estimated in 2000 that it would have 33 judges in Miami by 2010; it had 27 at the time of our report. This has resulted in 57,000 extra square feet of space, including space for 2 courtrooms that were never finished (see fig. 4).

Figure 4: One of Two Unfinished Courtrooms in the Ferguson Courthouse, as of 2009



Source: GAO

We identified a variety of factors that led the judiciary to overestimate the number of judges it would have after 10 years, including:

- *Inaccurate caseload growth projections:* In a 1993 report, we questioned the reliability of the caseload projection process the judiciary used.¹⁰ For our 2010 report, we were not able to determine the degree to which inaccurate caseload projections contributed to inaccurate judge estimates because the judiciary did not retain the historic caseload projections used in planning the courthouses. Judiciary officials at three of the courthouses we visited indicated that the estimates used for courthouse planning had inadvertently overstated the growth in district case filings and, hence, the need for additional judges.
- *Challenges predicting how many judges will be located in a courthouse in 10 years:* It is difficult to predict when a judge will take a reduced caseload through senior status or leave the bench entirely. It is also difficult to project how many requested judgeships will be authorized, how many vacancies will be filled, and where new judges would be seated.

The judiciary pointed out that some extra space in courthouses exists because the judiciary did not receive all the new judge authorizations it requested. We recognize that some of the extra courtrooms reflect the historic trend that the judiciary has not received all the new authorized judges it has requested.

¹⁰GAO, *Federal Judiciary Space: Long-Range Planning Process Needs Revision*, GAO/GGD-93-132 (Washington, D.C.: Sept. 28, 1993).

Low Levels of Use Show That Judges Could Share Courtrooms, Reducing the Need for Future Courtrooms by More Than One-Third

Our June 2010 report concluded that courtroom sharing could have reduced the number of courtrooms needed in 27 of the 33 district courthouses built since 2000 by a total of 126 courtrooms—about 40 percent of the total number of district and magistrate courtrooms constructed since 2000.¹¹ In total, not building these courtrooms and associated other spaces would have reduced construction by approximately 946,000 square feet. GSA officials stated that courtroom space is among the most expensive of courthouse spaces to construct and that the *Design Guide's* criteria are in part meant to help ensure that courthouses are built to be cost-effective as well as functional. In Miami, we found that courtroom sharing would have allowed a reduction of 12 courtrooms covering 83,000 square feet. This raises questions about whether the Ferguson Building needed to be constructed. Based on the number of judges located in Miami, the judiciary would need only 17 courtrooms based on our sharing model, and there were already 29 courtrooms existing in the King, Atkins, Pepper, and Dyer buildings.

We also found that most courthouses constructed since 2000 have enough courtrooms for all of the district and magistrate judges to have their own courtrooms. According to the judiciary's data, courtrooms are used for case-related proceedings only a quarter of the available time or less, on average.¹² Using the judiciary's data, we applied generally accepted modeling techniques to develop a computer model for sharing courtrooms. The model ensured sufficient courtroom time for all case-related activities; all time allotted to noncase-related activities, such as preparation time, ceremonies, and educational purposes; and all events cancelled or postponed within a week of the event. During our interviews and discussions with experts on courtroom sharing, some judges remained skeptical of sharing and raised potential challenges to courtroom sharing, but other judges with sharing experience said they had overcome those challenges when necessary without postponing trials. The primary concern judges cited was the possibility that all courtrooms could be in use by other judges and a courtroom might not be

¹¹ Our analysis indicated that sharing would not reduce the number of courtrooms in six courthouses for the following reasons: four already had sharing between judges; one had only one district and one magistrate judge; and one courthouse had only bankruptcy judges and was out of our scope for district and magistrate sharing opportunities.

¹² Federal Judicial Center, *The Use of Courtrooms in U.S. District Courts: A Report to the Judicial Conference Committee on Court Administration & Case Management* (Washington, D.C., July 16, 2008).

available. To address this concern, we programmed our model to provide more courtroom time than necessary to conduct court business. Another concern stated was that sharing courtrooms between district and magistrate judges was difficult because of differences in responsibilities and courtroom size. To address this concern, our model separately analyzed district and magistrate judges. After addressing judge concerns in these ways, the model showed the following courtroom sharing possibilities: 3 district judges could share 2 courtrooms, 3 senior judges could share 1 courtroom, and 2 magistrate judges could share 1 courtroom with some courtroom time remaining available.

In 2008 and 2009, the Judicial Conference adopted sharing policies for future courthouses under which senior district and magistrate judges will share courtrooms at a rate of two judges per courtroom plus one additional courtroom for courthouses with more than two magistrate judges. Additionally, the conference recognized the greater efficiencies available in courthouses with many courtrooms and recommended, but did not mandate, that in courthouses with more than 10 district judges, district judges also share. Our model's application of the judiciary's data shows that more sharing opportunities are available.

The judiciary stated that at the time the 33 courthouses we reviewed were planned, the judiciary's policy was for judges not to share courtrooms and that it would be more appropriate for us to apply that policy. Our congressional requesters specifically asked that we analyze how a courtroom sharing policy could have changed the amount of space needed in these courthouses. The judiciary also raised concerns with the assumptions and methodology used in developing the courtroom sharing model. Our model provides one option for developing a sharing policy based on actual time during which courtrooms are scheduled and used.

Prior Recommendations

Our June 2010 report included recommendations that the Administrator of GSA take the following actions:

- Establish sufficient internal control activities to ensure that regional GSA officials understand and follow GSA's space measurement policies throughout the planning and construction of courthouses. These control activities should allow for accurate comparisons of the size of a planned courthouse with the congressionally-authorized gross square footage throughout the design and construction process.

-
- Report to congressional authorizing committees when the design of a courthouse exceeds the authorized size by more than 10 percent, including the reasons for the increase in size.

GSA and the judiciary agreed with one of our recommendations and expressed concerns with our methodology and key findings. GSA concurred with our recommendation to notify the appropriate congressional committees when the square footage increase exceeds the maximum identified in the prospectus by 10 percent or more. GSA did not concur with our recommendation to establish internal controls to ensure that regional GSA officials understand and follow GSA's space measurement policies throughout the planning and construction of courthouses, stating that their current controls and oversight were sufficient. Currently these recommendations remain unimplemented as there have not been any courthouses planned and completed since the recommendations were made.

We also recommended that the Director of the Administrative Office of the U.S. Courts, on behalf of the Judicial Conference of the United States, take the following three actions:

- Retain caseload projections for at least 10 years for use in analyzing their accuracy and incorporate additional factors into the judiciary's 10-year judge estimates, such as past trends in obtaining judgeships.
- Expand nationwide courtroom sharing policies to more fully reflect the actual scheduling and use of district courtrooms.
- Distribute information to judges on positive practices judges have used to overcome challenges to courtroom sharing.

The judiciary concurred with our recommendation to expand sharing policies based on a thorough and considered analysis of the data but raised concerns related to the applicability of our model as guidance for the judiciary's system. The judiciary did not comment directly on its plans to retain caseload projections, but stated that it would continue to look for ways to improve its planning methodologies. Finally the judiciary did not provide comment on its intent to distribute information on the positive practices judges have used to overcome challenges to courtroom sharing. These recommendations also remain unimplemented at the current time.

Chairman Mica, Ranking Member Connolly, and Members of the Subcommittee, this concludes our testimony. We are pleased to answer any questions you might have.

Contact Information

For further information on this testimony, please contact Mark L. Goldstein, (202) 512-2834 or by e-mail at goldsteinm@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals making key contributions to this testimony include Keith Cunningham (Assistant Director), Melissa Bodeau, and George Depaoli.

Mr. MICA. Thank you, Mr. Goldstein.

Now I will recognize Dr. Padron, who is President of Miami-Dade College.

Welcome. Thank you again, Dr. Padron, for hosting us today. Now I would like to recognize you for your testimony.

STATEMENT OF EDUARDO J. PADRON

Mr. PADRON. Thank you, Mr. Chairman.

Mr. MICA. You might pull that up as close as you can.

Mr. PADRON. Thank you, Mr. Chairman. I am also happy to welcome Representative Wilson, a good friend of the college. And welcome to Miami-Dade College. Thank you for the opportunity to present these remarks.

Miami-Dade College is the nation's largest institution of higher education, welcoming more than 175,000 students every year. Our commitment to provide access to college-level learning throughout our community reflects the workforce demands of a dynamic economic environment. The college's growth dictates that we explore creative approaches, form partnerships, and follow up on every opportunity. This includes challenging ones like the Dyer Courthouse located adjacent to our main building.

Miami-Dade College supports Congress' efforts to seek the efficient utilization of federally owned vacant properties. As you look into streamlining the Federal property disposal process, I believe Miami-Dade College can serve as a model demonstrating the important contribution the educational sector can make to your efforts. This college already has a track record of successfully conveying underutilized properties and restoring historic buildings. They have become centers of learning and hosted important gatherings for the benefit of our entire community.

One such successful example of this commitment sits adjacent to our campus, the Freedom Tower, designated as a national historic landmark by the U.S. Department of Interior. This building is recognized as the Ellis Island of the South. It has served as a Federal processing center for Cuban refugees in the 1960s and '70s, including yours truly. The Freedom Tower is flourishing today as an educational and cultural hub. It is a significant anchor in the economic revitalization of urban Miami.

Given the chance, this is the type of future we envision for the Dyer Courthouse. Before I address that issue, allow me to briefly relate an additional success story that is even more pertinent to our discussion. It is federally owned property conveyed to the college in 2009. This property, a fenced-in downtown parking lot, currently served the Bureau of Prisons and Department of Justice employees. It is adjacent to the Miami-Dade College New World School of the Arts.

Several years ago, we began meeting with the Bureau of Prisons to explore our interest in this property. In developing plans for a new structure for the property, we were able to combine the Bureau's need for secure parking with our need to expand capacity. Working with them and alongside our congressional delegation, we obtained conveyance legislation. It was approved by Congress and signed by the president in a timely manner.

Today we are finishing the design plans for the new building. We anticipate a groundbreaking ceremony in the very near future.

Mr. Chairman, these Federal partners were willing to work with us. The process was efficient and accomplished without time-consuming layers of review and unnecessary delays. Upon completion, this building will represent the result of a model Federal-local partnership. Much like the Freedom Tower, it will suggest the future that awaits the Dyer Building, if we are given the chance.

I am aware that efforts to improve government efficiency and generate revenue for the Treasury are important elements of an effective Federal disposal process. However, focusing on maximizing fair market sales should not be your only option. In many cases, the cost of bringing a property to market exceeds the proceeds from the sale. The option of maximizing a fair market value sale should be weighed against the value of a public benefit conveyance. The end result will be better utilization of these Federal properties to the benefit of our communities and nation.

This community benefit can be quantified. Miami-Dade College's Commission on Economic Impact study by Economic Modeling Specialists, Inc., its findings indicated Miami-Dade College to be a sound investment from multiple perspectives. The findings of this economic impact study underscore the benefits to taxpayers should the Dyer Building become part of the college.

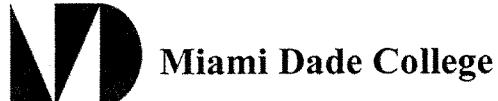
Written remarks submitted to the subcommittee contain other details from the economic impact study.

Lastly, it is important for me to note that the college is working with the GSA. We have responded to a request for information, sharing our plans and vision for the Dyer Building. We have been meeting with GSA representatives as we await their internal review process, a process that is inching forward. We have invited the GSA administrator to visit our downtown campus, including the Freedom Tower.

Mr. Chairman, we will continue to communicate with this agency, our congressional delegation, with all of you on this committee. We have also reached out to our community and received several expressions of support for our plan. We have received support from the Dade Heritage Trust, which underscores our commitment to preserving the legacy of this building. We have also received a resolution of support from the Downtown Development Authority, recognizing the positive impact on Miami's economy. In addition, we have received letters of support from Chief Judge Federico Moreno, the chief judge of the court in Miami. All these documents are here today, and I request that they become part of the official record.

Our message is simple. Miami-Dade College sees great potential in conveying the Dyer Building into an educational and cultural center. We propose a new chapter for this historic building that will be rich in promise for all. We hope our Federal partners will give us that chance. Thank you very much.

[Prepared statement of Mr. Padron follows:]



March 8, 2013
Committee on Oversight and Government Reform
Subcommittee on Government Operations
Dr. Eduardo J. Padron, College President

Miami Dade College's (MDC) Wolfson Campus is located in an urban environment, surrounded by office buildings, residential and government buildings in the middle of a vibrant downtown. Several of our other College campuses are located in high density urban areas as well. This includes our InterAmerican campus in Little Havana, Hialeah Campus and Doral Campus. Thus, we view with great interest the existence of vacant, underutilized properties in the vicinity of our campuses. MDC is the nation's largest institution of higher education, welcoming more than 175,000 students this year. Our commitment to provide access to college level learning throughout our community reflects the workforce demands of a dynamic economic environment. The College's growth dictates that we explore creative approaches, form partnerships and follow up on every opportunity. This includes challenging ones like the Dyer Courthouse, adjacent to our downtown Wolfson Campus main building.

Miami Dade College supports Congress' efforts seeking the efficient utilization of federally owned vacant properties. As you look to streamline the federal property disposal process, I believe this institution can serve as a model demonstrating the important role the education sector can play in assisting your efforts. I believe there is a great opportunity to fully engage with colleges and universities that are experiencing explosive growth. We stand ready to assist our federal partners in the conversion of vacant buildings, and in our case, even underutilized parking lots, into vibrant centers for learning and culture. Transforming these dormant properties into centers for learning and expanded opportunity represents the wisest use of our tax dollars.



This College already has a track record of successfully converting underutilized properties, restoring historic buildings, and creating significant community gathering and learning places for the benefit of our entire community.

One successful example of this commitment sits adjacent to our campus --- the Freedom Tower, designated as a National Historic Landmark by the U.S. Department of Interior. This building is recognized as the "Ellis Island of the South" for its role in serving as the site of the federal government processing center which resettled hundreds of thousands of Cuban refugees during the 60's and 70's, including yours truly.

The Terra Group and the Pedro Martin Family donated this building to the College in 2005, one of the most significant donations in Miami's history. Prior to this the Freedom Tower's future appeared shaky; building ownership had changed hands over the years and the structure was in need of maintenance and repair. Under College ownership, the building has been renovated and once again anchors downtown Miami's main thoroughfare. The remarkable New World mural, which greeted every arriving immigrant, has been restored, and the tower's steeple, with its iconic sailing ship at the apex, reflects the building's historic significance.

The Freedom Tower is flourishing as a destination point for our students, locals and tourists alike, serving as an educational and cultural hub and a significant anchor in the economic revitalization of urban Miami. It now houses a museum quality exhibit space that has showcased the works of Salvador Dali, Francisco de Goya and aspiring local artists. The renovated meeting space has hosted First Lady Michelle Obama, Governor Rick Scott, former Secretary of State Madeleine Albright and Queen Sofia of Spain among others.

Given the chance, this is the type of future we envision for the Dyer Courthouse. Before I address that issue, allow me to briefly relate an additional success story that is even more pertinent to our discussion. It is federally-owned property conveyed to the College in 2009. This property, a fenced-in downtown flat parking lot currently serving Bureau of Prisons and Department of Justice employees, abuts our MDC New



World School of the Arts Building. It literally wraps around this campus building. Several years ago we began meeting with the Bureau of Prisons to express our interest in working with them to better utilize this space.

We were able to combine their need for secure parking with our need to expand and grow. After some negotiation, we forged an agreement to convey the parking lot to the College in return for constructing a classroom/parking garage building that includes an enclosed and secure parking area for our federal partners. Working with them and alongside our Congressional delegation, we were able to get conveyance legislation approved by Congress and signed by the President in an efficient and timely manner. Today, we are finishing the design plans for the new building and anticipate a groundbreaking ceremony in the very near future.

Mr. Chairman, these federal partners were willing to work with us. Even more importantly, while they had certain requirements for the property, I believe they understood the impact of our College programs.

The point I wish to emphasize is that we were able to come to this agreement with minimum bureaucracy. We had federal partners who were willing to hear us out. They understood the value of our work, and the benefit for the entire community of our coming together in the more efficient utilization of this parking lot. This was accomplished without time consuming layers of review and unnecessary screenings and delay.

Upon completion this building will represent the end result of a model federal/local partnership. It will remind us of what we can accomplish by working together with our federal partners. Much like the Freedom Tower, it will suggest the future that awaits the Dyer Building -- if we are given the chance.

As the U.S. Congress and this committee look for ways to ensure the efficient utilization of federal properties throughout the United States, there is great interest in reforming the federal disposal process. I applaud this effort to streamline this process. During the last Congress we saw several measures introduced which



established procedures for selecting federal properties to sell and for the distribution of the proceeds. Everything was on the table, from a military BRAC model of real property disposal, better real property data collection, enhanced duties for an interagency group, enhanced leasing and much more.

As new legislation is being proposed, your efforts to improve government efficiency and to generate revenue for the Treasury are to be commended. However, focusing on maximizing fair market sales should not be your only option. In many cases the costs of bringing a property to market exceed the proceeds from a sale. Legislative provisions emphasizing quick and maximum sale should be balanced with a focus on the community benefit as well. The option of maximizing a fair market value sale should be weighed against the community value of a public benefit conveyance. The end result will be a better utilization of these federal properties to the benefit of our communities and nation.

This community benefit can be quantified. Miami Dade College commissioned an economic impact study by Economic Modeling Specialists, Inc. Its findings indicated MDC to be a sound investment from multiple perspectives. This study quantifies the economic benefits and translates these into common sense benefit/cost and investment terms. From the perspective of our community as a whole, MDC students expand our economic base through their higher incomes, which are a direct result of their college education. Businesses that employ them also become more productive through student-added skills. Higher earnings of MDC students and associated increases in state income expand the tax base by 575.8 million each year. These benefits, together with the associated ripple effects, amount to an overall economic impact on the Miami-Dade County economy of \$3.1 billion each year.

As MDC students achieve higher levels of education, they are also less likely to become wards of the state, draw welfare or unemployment benefits, or engage in crime. This translates into associated dollar savings (i.e. avoided costs) to the public equal to approximately \$35.4 million annually. From a taxpayer perspective, the College's work results in increased tax collections from higher income earners) and



reduced government expenditures. This study found a positive rate of return for MDC of 10.0%, and benefit/cost ratio of 2.9 ---- meaning every tax dollar invested in MDC today returns \$2.90.

By extension, the findings of this economic impact study underscore the benefits that will accrue to taxpayers should the Dyer Building become part of the College, and additional opportunities for learning are made available.

Lastly, it is important for me to note that the College is working with the GSA. We have responded to a Request for Information, sharing our plans and vision for the Dyer Building as an educational and cultural center. We have been meeting with GSA representatives as we await their internal process of review and screening—a process that is inching forward. We have invited the GSA Administrator to visit our downtown Wolfson Campus and allow us to provide an introduction and tour of the Freedom Tower.

Mr. Chairman, we will continue to reach out to this agency, to our Congressional delegation, to all of you on this committee, and to the community at large. Our proposed plan for the Dyer Building is starting to generate community support. We have received a letter of support from the Dade Heritage Trust which underscores our commitment to preserving the historic legacy of this building. We have also received a resolution of support from the Downtown Development Authority, recognizing the positive impact of our plans on Miami's economy. In addition, we have received a letter of support from Chief Judge Federico Moreno.

Our message is simple. Miami Dade College sees great potential in converting the Dyer Building into an educational and cultural center. We propose a new chapter for this historic building that will be rich in promise for all. We hope our federal partners will give us this chance.

Thank you.

Committee on Oversight and Government Reform
Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)(5)

Name: Eduardo J. Padrón, Ph.D.

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2010. Include the source and amount of each grant or contract.

List Attached.

2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

Miami Dade College - President since 1995 and I have worked for the College since 1970.

3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2010, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

Same list as number 1 above.

I certify that the above information is true and correct.
Signature:



Date: 3/5/13

CPN or Contract Number	Agency	Agency Program	Amount Received By MDC	Subcontract or Subgrant Total to Fiscal Agent
2009-0051	USDOE	Community College Initiative through NOVA Nuclear Energy Scholarships Program	\$536,454	\$1,999,999
2009-0216	USDOE	Title V, Center for Science, Technology, Engineering and Mathematics First Year Experience (STEM FYE)	\$3,000,000	N/A
2010-0007	USDE	Nuclear Scholarship Program	\$2,376,007	N/A
2010-0071	NRC	Hispanic-Serving Institutions Science, Technology, Engineering and Mathematics Articulation Programs for Transition, Retention, Advisement, and Completion (STEM TRAC)	\$122,483	N/A
2010-0118	USDE	Health Center Planning Grants	\$5,919,756	N/A
2010-0206	HRSA	Substance Abuse and Mental Health Services Administration, Campus Suicide Prevention Program	\$79,779	N/A
2010-0208	USDHHS	Hazard Mitigation Grant Program	\$295,087	N/A
2010-0239	USDHHS/FEMA	Hispanic-Serving Institutions Science, Technology, Engineering and Mathematics Articulation Programs, Ladder to Student Success	\$1,155,906	N/A
2010-0284	USDE	Educational Opportunity Center Grant Program	\$4,035,622	N/A
2011-0029	USDE	Artworks Presenting Program, MDC Live Arts	\$1,150,000	N/A
2011-0037	NEA	USDA/HSINP and Miami Dade College Initiative	\$60,000	N/A
2011-0068	USDA	Title III, Minority Science and Engineering Improvement Program	\$150,000	N/A
2011-0103	USDE	NSF Science, Technology, Engineering and Mathematics Talent Expansion Program with the University of Florida	\$645,138	N/A
2011-0125	NSF	Hispanic-Serving Institutions Science, Technology, Engineering and Mathematics Articulation Programs, Florida-Caribbean Consortium for Agriculture Education and Hispanic Workforce Development through Florida International University	\$309,441	\$1,002,938
2011-0126	USDA	Gaining Early Awareness and Readiness for undergraduate Programs (GEAR Up)	\$713,824	unknown
2011-0164	NEA	The Big Read	\$17,100	N/A
2011-0226	USDE	Small Grants to Libraries and Other Non-Profit Institutions, America's Music Program	\$5,064,178	N/A
2011-0260	NEH	Bridging Cultures to Form a Nation through the Association of American Colleges	\$2,500	N/A
2012-0039	NSF	Alliances for Broadening Participation in STEM, Florida Georgia Louis Stokes Mechanical University	\$7,500	N/A
			\$97,502	unknown

2012-006	HRSA	Scholarships for Disadvantaged Students, Physician Assistant	\$1,200,000	N/A
2012-0067	HRSA	Scholarships for Disadvantaged Students, Nursing	\$2,592,000	N/A
2012-0071	USDE	Upward Bound Program through Take Stock in Children, Inc.	\$1,250,000	\$1,250,000
2012-0076	USDOL	OSHA, Susan Harwood Training Grant Program	\$166,250	N/A
2012-0084	USDOT	Small Business Transportation Resource Center Program	\$130,500	N/A
2012-0159	NSF	Advanced Technological Education, 2013 Mentor-Connect Technical Assistance and Mentoring Support Project	\$1,200	N/A
2012-0198	National Gardening Association	Youth Garden Grant Program	\$500	N/A
NS9001	NPS	Seasonal Law Enforcement Training Program	\$35,000	N/A
Pass-through				
2011-0271	FLDOE	English Literacy/Civics Education Program	\$250,000	N/A
2011-0272	FLDOE	Adult General Education Program	\$1,500,000	N/A
2011-0298	FLDOE	Carl D. Perkins Vocational and Technical Education Act Program	\$2,115,032	N/A
2012-0052	FLDOE	College Reach-Out Program	\$83,844	N/A

Mr. MICA. Well, thank you, and I thank each of our witnesses for your participation and your testimony. As I said, if you have additional statements, we will make them part of the record.

Let me first turn to Mr. Smith with the GSA. We will start some questions here.

Mr. Smith, I was surprised after the last hearing in August to hear that the community college, Miami-Dade, I guess at that time was Miami College, Miami-Dade College, had been in contact with GSA about utilization of this building. Do you know how far back that goes?

Mr. SMITH. I do not.

Mr. MICA. Dr. Padron, when was your first contact with GSA or the government in regard to this building, the Dyer Building?

Mr. PADRON. Mr. Chairman, I will have to rely on my assistant for that specific information, and if they don't have it, I will make sure you get it.

Mr. MICA. Was it prior to the hearing in August?

Mr. PADRON. That is my understanding, of course, yes.

Mr. MICA. Yes. Okay. Most recently, according to testimony here today, there have been discussions ongoing about possible acquisition of the property by the community college or by Miami-Dade College. How long do you anticipate these discussions to take, and on what basis would you evaluate it? Have you seen their proposal?

Mr. SMITH. Sir, we saw their response to the RFI, which requested the property through a public benefit conveyance. In order to get through that process, we have to put it into the disposal process, which means we have to report it excess, do the due diligence. There is an application under the process where the Department of the Interior is the sponsoring agency for that. The college would work with them. Their application was very complete, and it looks as though they have experience working with the Department of the Interior.

Mr. MICA. I think he outlined also some conveyances that have successfully been executed. But I am trying to get some handle on time frame. When would you finish yours if Interior needs to get in? You know, I did the last hearing in August, and this is March. Any time frame?

Mr. SMITH. We are in the middle of the due diligence now, and I was told today that we have an environmental assessment starting on Thursday. We have to still do a survey, work with the State Historic Preservation Office to outline the covenants and restrictions that we would move forward, no matter how we dispose of that property.

Mr. MICA. But again, what I want to envision is that by June or six months, I don't know, from this date, what is going to happen in what sequence? We want to be able to hold GSA accountable for movement. I mean, it is costing \$1.2 million. We are up to \$6 million I am told by staff, and the building continues to deteriorate, which also has a value. So I am trying to get some time frame on this. Can you be more specific?

Mr. SMITH. We don't control all of the processes.

Mr. MICA. But the part that you control, tell me.

Mr. SMITH. We control the screening process initially. Once it is determined excess, we would have to screen it for homeless use and then for Federal —

Mr. MICA. So once you have the environmental—and how long will that take?

Mr. SMITH. I don't have a definite date on that.

Mr. MICA. Can you supply the committee with that information?

Mr. SMITH. We can provide you the information. We have already contracted for that. We would have to contract for a survey, and it may take 30 to 60 days.

Mr. MICA. Nobody knows the time frame that the survey would take?

Mr. SMITH. The survey could take—it should be pretty quickly. The contracting leading up to it is what takes the time.

Mr. MICA. Okay.

Mr. GOLDSTEIN. Mr. Chairman?

Mr. MICA. Mr. Goldstein?

Mr. GOLDSTEIN. Just one item. The GAO several years ago issued a report on public benefit conveyances in which we listed quite a number of them that were very successful. We outlined what the process was that you go through, and a number of them, in fact, were successful to educational purposes. I would, if you wish, sir, make that part of the record for your committee or provide that to you.

Mr. MICA. I think that would be helpful. So there is sort of a guideline already established?

Mr. GOLDSTEIN. We would be happy to.

Mr. MICA. All right. Thank you for advising the committee of that.

Again, Mr. Smith, what we are trying to do is figure out how long this is going to take or if we can expedite it. If Congress passes legislation, directive legislation, can we leapfrog some of that? As you know, that would be the law.

Mr. SMITH. Sir, we will follow the law. It depends on what the law says. In some cases, we still are required —

Mr. MICA. Well, again, you want certain covenants that this is an historic property. In talking to the college, it appears that they have acquired property before. They obviously have been good stewards and have complied with the requirements of acquiring private property, I mean public property in the past that has, again, been conveyed to another public entity. So that is doable.

Any guesstimate as to how long before if we can, again, provide something directive, that you can complete your part of the paper-work or requirements? A year? Six months? Two years?

Mr. SMITH. I can give you an example of Thomasville, Georgia, where we recently conveyed a piece of property to the Board of Education at Thomasville.

Mr. MICA. Okay.

Mr. SMITH. It is still occupied by a post office, and it was a U.S. Post Office and Federal Building. It started back in 2010 when we first got an application for that. It went through the disposal process rather quickly. We moved the last tenant out in 2011, and I believe early last year, probably March or April, we had a convey-

ance. So this should not drag on forever. But what I don't have

Mr. MICA. Okay. Are the figures that are being given to the committee about \$1.2 million and about \$6 million incurred so far just to maintain the empty building, is that correct?

Mr. SMITH. I would have to check with my staff. Most of it is utility bills. We don't have a cleaning contractor any longer.

Mr. MICA. We are told it has cost us about \$6 million to keep it vacant to date. That is the information provided to the committee.

Well, wait a second. We can't do that.

Mr. SMITH. You are telling me it is less than that.

Sir, we will get back to you with those correct figures.

Mr. MICA. I would like the exact information for the record, but we are told it is approaching \$6 million.

[The information follows:]

Mr. MICA. The thing that is amazing about this to me, and I think we discussed this in August, is it just didn't happen that this building was going to become vacant. They were actually building a courthouse next door. We knew a new courthouse would be built. We knew that judges would be moving from this, and we knew that this property would be vacated, did we not, Mr. Smith?

Mr. SMITH. Yes, Sir. As a matter of fact —

Mr. MICA. We knew it, but we never had a plan. Of course, there ought to be some way to get some interest either from the private sector or from public entities, and certainly it would behoove the Federal Government to work with public entities that have an interest in a public building for doing something with it. Once the door closed in 2007 and they went into the other building in 2008, it is five years later, the building is empty, and now my next question is I am told it is tens of millions of dollars probably to clean up the mold and some of the other damage that has been done by the property sitting vacant. Is that correct?

Mr. SMITH. There would be a cleanup cost, but I need to correct you on the plan, sir. In 2006 we submitted a request for design, and I believe, I am told that in 2007 we actually received authorization for design. So the plan was always to back fill this building with Federal tenants.

Mr. MICA. And what happened there?

Mr. SMITH. We didn't receive the appropriation for that.

Mr. MICA. And what happened there?

Mr. SMITH. Say again?

Mr. MICA. What happened there?

Mr. SMITH. Well, all we received was authorization for design.

Mr. MICA. It wasn't Federal judges because we have the GAO representative here. They overbuilt this. Not only is this a disaster, a taxpayer fiasco as far as the empty Dyer Federal Building, but the building they built. The GAO just testified they overbuilt the building. There is vacant space that has never even been built out.

Was it your estimate, Mr. Goldstein, is this 57,000 extra square feet, or more?

Mr. GOLDSTEIN. The extra square feet in Ferguson is 278,000 in three different categories, sir.

Mr. MICA. The total is how much?

Mr. GOLDSTEIN. 278,000.

Mr. MICA. Oh, my God. So we overbuilt. We have a vacant building. We will probably have to put utilities in part of that anyway, which is extra cost that we have incurred for at least five years. We have courtrooms that don't have judges, and we have an empty courthouse costing us millions of dollars to keep empty.

Dr. Padron, do you think the community college—I am sorry. I keep saying community college. You have to forgive me because that was the title for so long. Miami-Dade College. Do you believe, if you acquired this building, if we could convey it, that you could convert the building without difficulty to your use for the college?

Mr. PADRON. Absolutely, Mr. Chairman. We wouldn't be pursuing this if we didn't feel that way. We have a tremendous need for space for the college for many of our programs. We keep growing. This is a very large campus, and we feel that that building, which is probably the most beautiful building architecturally in Miami and an iconic building, a historic designation, we feel that we can put it to a use that will welcome the community into it, that will serve the purposes of educating students, and that will complete a lot of the facilities that we need in order to serve the community down here.

Mr. MICA. All right. And I have some additional questions. I want to yield right now to Ms. Wilson for questions. You are recognized.

Ms. WILSON. Thank you, Mr. Chair. This particular issue means a lot to me personally, and it actually means a lot to this community. So I was happy to hear GSA give us a rundown on what has been happening and what we can expect to happen. I think Dr. Padron has given me some peace when he said that he is working with the Dade Heritage Trust and the Historical Society and the Downtown Development Authority and any other organizations that we feel can make this a reality, because it is important that we do this, and it is important that we make sure that it is not repositioned in a way that we lose it. We want this building to be ours and not for some other entity in the process.

So I would like to get the assurance from GSA that Miami-Dade College is the preferred tenant of this building as far as GSA is concerned in your repositioning for new tenants and moving. Can we say that we are a priority?

Mr. SMITH. Ma'am, we look forward to working with the college to resolve some of the issues that we have. But at this stage, we still have to go through a process. And while the college is amply prepared to be in line, we cannot prefer a type of disposal at this stage. But we do need to repurpose it so that it benefits the local community. That is one of the actions we look at. We also have to make sure that we extract the highest return for the government and the taxpayer, and should that be for historic monument or education or for any other public benefit conveyance, we will have to work with other sponsoring agencies to see how that process works out.

But we do look forward to working with the college. They have proven that they are problem solvers, that they can work with the Federal Government through the labyrinth of regulations and laws that we must comply with, and I think it would be a very good partnership if we can continue to make those arrangements, to talk

to each other and see how we can resolve some of these unique issues with the Dyer Courthouse.

Ms. WILSON. And just the track record of Miami-Dade is commendable. Dr. Padron is known internationally for what he has done here in this community with this college, and I am looking forward to everyone else from GSA to come down so that they can see it.

So, even though this might not be legal or is not something that is lawful, that when they come, in their minds they will leave here saying we have to find a way to get this done because it is good for this community and it is good for thousands and thousands of children who are going to be citizens, who are going to be running this community in the future.

So this is not a shelter for the homeless. This is not a post office. This is something that is going to be the betterment of this entire community and generations yet unborn who will take advantage of a historical building that needs to be preserved, according to everybody who has seen it. I think we need to find a way that we can put it in some sort of priority order.

And with that, I am going to excuse myself. Thank you so much.

Mr. MICA. Thank you also for having us in your new district and the great relationship you have with the college. I know that will continue. We are going to work with you until this is resolved.

It would be my preference, again, since Miami-Dade needs this extra space, and it is a beautiful space. We had an opportunity to tour it again. It could be very conducive to use for a student population that is growing. Also, I am sure you have some judicial programs. This is some incredible courtroom space, and historic too, that does need to be preserved. So we will work with you, and thank you so much, and the rest of the delegation, for your interest and support.

Let me go back to some of the questions that I had. We are covering today the Dyer Courthouse, and that seems to be sort of one of the tips of the iceberg. We had the Ferguson Courthouse built, a pretty expensive building, and it had, as you just told me before Ms. Wilson intervened, 250,000 extra square feet that were constructed —

Mr. GOLDSTEIN. Two-hundred seventy-eight thousand, sir.

Mr. MICA. Oh, I am sorry. I keep getting the number wrong. Two-hundred seventy-eight thousand square feet. And what was the estimated extra cost to the taxpayer?

Mr. GOLDSTEIN. \$48.5 million, sir.

Mr. MICA. \$48.5 million. So we spent \$48.5 million, and we have extra space over there. Do you know how much the unfinished space is?

Mr. GOLDSTEIN. The size of the two courtrooms? There are two courtrooms that have never been finished at all, but there are several others, of course, that are vacant, that are not filled because of not having enough judges.

Mr. MICA. So there is plenty of future space in the Ferguson Courthouse.

Mr. GOLDSTEIN. Yes, sir. There are several floors. I have toured the building myself. There are several floors that are used, quite honestly, very inefficiently, one entire floor that is just a massive

library that is almost never used, as well as a conference room that is used less than once a month, and those are the only two things on that floor.

There are other similar spaces in the building that are very inefficiently used—I am sure you have been there yourself—the whole area in which jury assembly occurs and the multi-floor atrium of elevators used to achieve rising to the upper floors. There was quite a lot of very inefficient space. The atriums themselves contributed a lot to that overage.

The extra space comes in three categories, sir, that 278,000 feet of extra space I am talking about. Ninety-seven thousand square feet of space was built about the authorization level that Congress provided, 57,000 square feet was as a result of poorly projecting the number of judges that would be in place and needing courtrooms at the end of the 10-year time frame, and 83,000 square feet was as a result of the judges in that particular building deciding that they would not share. As you know, part of GAO's work has been to develop a model based on the Judiciary's own data about how judges at the District Court level could share effectively.

Mr. MICA. So somebody has to be responsible if you build almost 100,000 square feet of space more than Congress authorized. Who would be the responsible party there?

Mr. GOLDSTEIN. That, sir, is mainly at GSA, because that space for the most part, GSA is responsible for building the building. They are the ones who control the architects. The GSA had its own space policy in place, but it did not follow it.

Mr. MICA. In a couple of months I intend to convene another hearing in Washington to focus on a report that the GAO is working on. I think it is close to completion. It is entitled "The Judiciary's Capital Planning Process For New Courthouses." Mr. Goldstein, can you tell me the focus? I don't know how far along you are in the report, the focus of that report. Is what we are seeing here in Miami as far as courthouses that are built that we don't need and spaces that far exceed what Congress may have appropriated for purposes of heaven knows what, because they are not being used, and then leaving a vacant space behind, is this just happening in Miami, or what will this report show?

Mr. GOLDSTEIN. We are working on two reports I think that will be of interest to you, sir. One is the one you mentioned on the five-year capital plan. That will be available to the public in May. The second one I think is actually a little more on target with the question you have just asked, and that is looking at what is happening with the older courthouses in America when the Judiciary decides

Mr. MICA. Are they both on schedule to be presented to Congress?

Mr. GOLDSTEIN. Yes, the one in May. The second one that I'm just mentioning is in the fall, not until the fall.

Mr. MICA. Oh, okay.

Mr. GOLDSTEIN. And that will look at the status of older courthouses like Dyer once the Judiciary has built newer space.

Mr. MICA. All right. Let's go back to some of the underlying problem that GSA builds a courthouse, and I think some of the criteria by which you build a courthouse is the information provided to you

by the potential tenant, in this case the judges. Now, they had one criteria by which they assessed the amount of space that would be needed in a facility, which I guess was the number of judges, current and projected, and then I am told now that that may have been changed because, as we heard Mr. Goldstein say, there is now a sharing space initiative, I don't know how far along.

What criteria did you use, do you know, Mr. Smith? What are you using, so we won't have this costly fiasco of over-building and under-utilization?

Mr. SMITH. Sir, I was not in place for the design or building of this courthouse. But you are correct that we get a program of requirements from the courts.

Mr. MICA. And do you know what is in place now? Is it based on number of judges and projected judges? Is it based on this new model of what space they would actually need if they used some commonsense sharing?

Mr. SMITH. For future courtrooms or courthouses, we do have courtroom sharing, and that is mandatory.

Mr. MICA. That is the criteria that you are using? You are no longer using, again, the defunct method by which we got the Ferguson—I was going to say “monster”—the Ferguson monster to the taxpayers? Maybe it is a nice building and all that but —

Mr. SMITH. To my knowledge, courtroom sharing is our standard now. There should be a formula for it. We don't have much of a construction program right now.

Mr. MICA. Have you looked at this, GAO? Tell me what your take is.

Mr. GOLDSTEIN. Sure. Mr. Chairman, the report that we are going to be issuing to the public in May about the five-year capital plan will discuss the criteria that the Judiciary has developed over the last couple of years. They have changed their planning process. Certain things are not part of it anymore, but they have a more elaborate approach that they do use, and we will be presenting the findings of that report in May.

The traditional use of caseload projections and judgeship numbers that derive from those caseload projections, which GAO criticized a number of years ago, is a much smaller factor today than it was in the past.

Mr. MICA. Back to some of your testimony, Mr. Smith. You talked about the savings on space, disposing of excess space or properties. Can you cite again—I guess you were talking about the Southern District. What area does that encompass?

Mr. SMITH. The Southeast Sunbelt Region.

Mr. MICA. Southeast Sunbelt. How many states?

Mr. SMITH. The Southeast Sunbelt Region is eight states, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Florida, Mississippi and Alabama.

Mr. MICA. And there was an estimate of how much, how many vacant properties or buildings. Over 200 was it?

Mr. SMITH. In our region, we have one property that is underutilized, and that is over in Columbia. It is the VA building.

Mr. MICA. In the entire region?

Mr. SMITH. In our region.

Mr. MICA. And nationally, though, I think there were 200 that were identified. Are you aware of those? I thought you spoke to those in your testimony.

Mr. SMITH. Nationally, on the list that is under-utilized within GSA, I think we have 124. I don't know that that was in my testimony.

Mr. MICA. And I thought you also gave us—from 2005, was it your region, I hope it wasn't nationally, that we realized \$20.3 million from properties that were disposed?

Mr. SMITH. Those were only PBS properties within our region. The national inventory —

Mr. MICA. From 2005 to 2011 or 2012, the total?

Mr. SMITH. Right. Those are the sales that we have done. We also have had a number of public benefit conveyances.

Mr. MICA. But the sales, \$20 million. I mean, I did that yesterday on the old power station in Georgetown.

Mr. SMITH. Well, sir, this does not include all of the actions that we took. Those were only the buildings that we brought to public sale. Some very valuable buildings actually go—like the Dyer building is an extremely valuable building. It could go for a public benefit conveyance, in which case we would not count it in the \$20.3 million.

Mr. MICA. Dr. Padron, the building I talked about, I did a hearing in Washington at the vacant power station building behind the Ritz Carlton on some pretty valuable real estate. It sat there for 10 years in Georgetown, downtown Washington. They put that up for a public auction, an online auction I believe it was, and that was I believe sold this week for around \$19+ million.

If we can't get the conveyance, I don't know the community's backing for this or the college's resources. Of course, you are an entity of the state of Florida. There also would be considerable cost to separate the utilities. Certainly, you could also work out a utility sharing agreement, because I looked at some of the utilities equipment and it has been upgraded and it looks like a very viable system serving both of the units. But that could be done.

So I guess a two-part question. I guess your first preference would be a conveyance?

Mr. PADRON. Absolutely.

Mr. MICA. And then secondly, you feel that you could assume taking the building in its current condition and being responsible for its upgrade?

Also, is it possible, Mr. Smith, to keep the title and work out some sort of an arrangement with the community and the college for them to acquire the property, at least for utilization?

Mr. SMITH. For an interim use, or a long-term lease?

Mr. MICA. Well, a 99-year lease. I don't know. So far we are up to five years, and it's got to be \$5 or \$6 million. The thing is sitting vacant. We are incurring costs on a vacant building that is substantial. Again, the clock is ticking and it is costing the taxpayers a lot of lost revenue, in my opinion.

Can something be done? I mean, is there any creativity at all in GSA, or do you lack flexibility because of the law? Is there something we need to do? I want to take full responsibility if Congress

is tying your hands or the law doesn't allow you the flexibility you need. Speak now or forever hold your peace, as they say.

Mr. SMITH. Sir, I think we have the flexibility. We just need to make the right arrangements.

Mr. MICA. You do. Yes.

Mr. SMITH. And I don't know the exact details of it, but the college is obviously very savvy at working these, and if we can sit down —

Mr. MICA. It sounds like they have already done this. I mean, they could practically write the primer on this, but the problem is nothing happens.

I love Miami. I love coming back here. I enjoyed being here to do the other hearing. But now this is March, and we want to see something happen.

So I am going to ask the staff, too, let's get from GSA a time frame of what is required for them to accomplish to get this done, either a transfer conveyance and some sort of a chronological order, that is one; or two, if they are not going to be able to convey it or don't feel they have the authority and Congress doesn't want to grant it if we have to, then do we put it up on the market and we stop the bleeding.

But right now we are closing essential services across the country as I am sitting here. There are government services being shut down because we are almost bankrupt. I have this property. We have done four properties so far, probably just \$100 million. That is peanuts, I guess, when you are sinking in trillions, but that adds up to billions. If we have 13,995 other vacant properties or buildings or under-utilized assets, that must add up to some real money.

We haven't gotten to the 7,000 acres and 500 buildings in Beltsville, Maryland on the periphery of the capital that we visited about two weeks ago. But no one has a plan. I was the first member of Congress I think to show up, except for the local members, since probably 1932 on the property and say what is the plan, what are you doing with this.

Do you see this repeated throughout—well, you just have the South, Mr. Smith. Do you see this repeated across the country and in the territory that you have?

Mr. SMITH. Well, sir, we are responsible for the PBS properties. In my testimony we talked about 834,000 buildings with 26 landholding agencies. The GSA has about 9,600 of those.

Mr. MICA. Right.

Mr. SMITH. I have about 1,600 of those.

Mr. MICA. You don't have the Agricultural Research Service in your region?

Mr. SMITH. They are in our region, but we don't manage those properties.

Mr. MICA. Tomorrow I am going to visit 200 acres in front of a resort. I am from Miami. I never knew we had that property. But I was told we have over 200 Agricultural Research Service Centers across the country, a lot of them dating back to the 1930s, and some pretty valuable property and assets. You can imagine the 7,000 acres, the 7,000 acres in Beltsville, Maryland. Seven thousand acres is larger than the city of Key West. Again, we had pictures at our hearing in Washington of office buildings with vines

growing over them. We had broken-out windows, just vacant structure after structure. We are the trustees for the public and letting that occur. That is just not acceptable.

So my question to you is you believe you have the authority to dispose, but somebody has to make a decision; is that correct?

Mr. SMITH. We have a process to follow, and some of it is due diligence, part of it is working with other sponsoring agencies.

Mr. MICA. Do you see anything in that process that we could revise that would expedite this? I mean, this one is five years, clock ticking, two years before some plans being made, but everything being trashed because nothing is being done, right? Yes. I mean, that is the facts.

Mr. SMITH. If I had my druthers and I didn't take my opportunity a minute ago, sir, I would ask for \$60 million to repurpose it for government because we have —

Mr. MICA. Do we have any other vacant space down here?

Mr. SMITH. We don't have much vacant space. We have 3 million square feet of lease space.

Mr. MICA. Do you include the postal facilities?

Mr. SMITH. We don't.

Mr. MICA. No, you don't, and that is another one in DOD, and we do. So we are going to be looking at those too, because I can show you even in my district up in Central Florida, where I don't have any Federal buildings, postal buildings that are under-utilized or vacant, and some DOD property. So we have assets sitting idle, not utilized. But nobody makes a decision. That is part of this process. Mr. Denham and I crafted legislation to create a BRAC-like process so somebody could make a decision, and that did not pass. But we are looking at that, and we are looking at some revisions.

But again, my question is if there is anything, even if you don't want to put it in public testimony today, that you could provide to the committee that would provide you with the tools to better do this job. And I love Mr. Goldstein, he is great, but he is sort of like—I saw the forensic school down here. You know, he is looking at the corpses and the body and the scene of the crime and reporting on it, and it is much too late with Mr. Goldstein. I love Mr. Goldstein, I love GAO and what they do. They do a great job for our committee and the various committees. But again, they are reporting the carnage.

Mr. GOLDSTEIN. We kick a lot of dead horses.

Mr. MICA. Yes, exactly. What I am trying to do when we do these, and if I have to come again, maybe next time I will have to chain myself to the door of the Dyer Building to get some attention or something, but we are going to find a way.

This could be our third victory, Dr. Padron, small victories, but we're going to figure out some way to do this. So again, Dr. Padron, you are willing to take this on, right?

Mr. PADRON. Absolutely.

Mr. MICA. Accept conveyance. You are willing to assume responsibility for the cleanup, fix-up and utilization, right? You are willing to work out some arrangements for utilities. Of course, you will probably find the most expensive solution dealing with the Federal Government on that. God forbid we should share anything. And then would you even consider a long-term lease if the Federal Gov-

ernment had to take it back in the future so that could be done too?

Mr. PADRON. The first thing is an absolute yes. The last one, I will have to check on that.

Mr. MICA. Okay.

Mr. PADRON. The problem that we have is some state regulations in terms of investing in properties that we don't own. But that is definitely something we can look at.

Mr. MICA. All right. Well, we want to explore all possibilities.

Mr. PADRON. Absolutely.

Mr. MICA. If worse comes to worst and we can't get it for Miami-Dade College, then we have to get this off the taxpayer deficit column, out of the deficit column and into a productive column.

Mr. Goldstein, we look forward to seeing you in Washington with a May and a fall report.

Let me just check through this for a second here.

On June 10, 2010, President Obama issued a memorandum entitled "Disposing of Unneeded Federal Real Estate," which directed the Office of Budget and Management to work with agencies to produce no less than \$3 billion in cost savings by the end of fiscal year 2012.

I am going to ask Mr. Goldstein first if you know where we are in this. Do you have any idea? Then I will ask Mr. Smith from GSA.

Mr. GOLDSTEIN. I personally don't, sir. I think GAO has done some work in this area. I would be happy to provide some information for the record.

Mr. MICA. Could you provide that to the committee?

Mr. GOLDSTEIN. Be happy to.

Mr. MICA. We passed 2012. We are supposed to have \$3 billion in savings, as Mr. Smith reported. Since 2005, in this region, we have actually realized \$20 million.

Mr. SMITH. \$20 million in sales, and we don't count the amount of property that we give up to a 100 percent discount.

Mr. MICA. But we have a long way to go for the whole country for \$3 billion. All right. And do you have any indication the whole GSA-wide for savings?

Mr. SMITH. In my written testimony on page 2, it does say that the initiative is on track to be published online next month. I believe the OMB website will have the accumulation of those sales, and I think it may be by agency, the actions that were taken under the President's memorandum.

Mr. MICA. Okay. We can also get that made part of the record.

Mr. Goldstein, the Federal Government has built 33 new courthouses since 2000, and you gave us some indication of how much excess space there was. Could you repeat that again? Do you have that handy?

Mr. GOLDSTEIN. Yes, sir. We had found that between 2000 and 2010, of the 33 courthouses that were built, there was 3.56 million square feet that was overbuilt in the three categories I mentioned: one, above authorization; two, because of inadequate judgeship projections; and three, because of a lack of sharing, particularly among the district judges.

Mr. MICA. One of the other things that is of concern, we do build these new courthouses, and we have existing courthouses, is the issue of security. The number of threats have increased, more than doubled between 2004 and 2010 according to information provided to our committee. Any word on how we are meeting that Federal courthouse security problem since 2011, Mr. Goldstein?

Mr. GOLDSTEIN. Two things, sir. One is that costs for security have risen, obviously, considerably over the years. Courthouses cost a lot more to build than they did in the past, in part because of that, because you need separate circulation patterns for the judges, for the public, and for the marshals with their prisoners, and this includes different elevator banks and complete circulation patterns. So naturally, that adds significantly. We did a report several years ago that actually looks at the rising cost and what the parameters were within courthouses, and security was one of the largest drivers of that cost.

More recently, the Marshals Service has taken over through a pilot project much of the security at courthouses. As you know, the perimeters of courthouses are protected by the Federal Protective Service, the interiors and the judges by the marshals. But this pilot is slowly but surely shifting that terrain to the Marshals Service.

Mr. MICA. Okay. I noticed too in the periphery of the Dyer Building and the Ferguson Building that the public is allowed public access on the streets. Some of it is closed off to vehicular traffic, but that would not need any change in operations? Does anyone have any concern about that, Mr. Smith?

Mr. SMITH. I don't have details on that, sir, but we can get back to you.

Mr. MICA. Then again, we are looking at a public street on one side, and now it will not be a courthouse. It will be Miami-Dade. I don't see any barriers or barbed wire on the other side of the street, so it would be utilized by the college. It is adjacent to Federal properties and judicial properties, and I think there was some concern about sealing some access on one side that faces. Dr. Padron, that could be resolved do you believe?

Mr. PADRON. Oh, absolutely. We have had discussions when we have toured the building about the areas that would need to be sealed to prevent access into the adjacent courthouse, and we have full understanding of that and are ready to work very collaboratively to get that accomplished.

Mr. MICA. I guess we are getting towards the end here. Mr. Smith, to what extent is GSA engaging with the judicial branch to assist with their comprehensive real estate asset plans? I mean, this isn't the only Federal facility, and we do have various needs, and also disposal issues. To what extent are you all engaging with the Judiciary?

Mr. SMITH. My region is particularly engaged on that, sir. We have about 22 non-resident courthouses that cost us money. We don't make money on those. They are very expensive to operate. But we also want to help the courts operate more effectively and efficiently, and we meet with them on a monthly basis, and we are continuing to work with them to see where we can find efficiencies, if we can close some of these courthouses and find other solutions to those as well.

Mr. MICA. Okay. In closing, Mr. Smith, the staff calculated since my hearing here at the beginning of August until today it has cost close to half a million dollars just to maintain the vacant building down the street, the Dyer Building. The clock is ticking. The cash register is ringing up deficit spending. We are closing down facilities and services to the public because we are basically on the verge of financial disruption in the country. Do you think you can work with us on some sort of schedule to take this one off the taxpayer most unfavored list?

Mr. SMITH. We are very anxious to do that, sir.

Mr. MICA. Okay. Well, we are counting on you. You know, I try to do these, and we try to work with the agencies, the GSA. We have had problems. Of course, last year they did not have a good year, starting with the guy in the hot tub, spending money like a wild man at the conference, nor did we have a good one with some of the other actions by some of the folks, and many of those people are now history, and others are trying to pick up and do a better job in working with various new administrators, new building commissioner and others to see if we can assist. Part of this is motivational, and hopefully inspirational, and maybe a little spiritual, to get GSA moving and assist any way we can.

So we want a positive outcome, and I hope I don't have to come again, Dr. Padron, unless it is for some conveyance ceremony to which I might get an invite.

But I want to thank you all. Does anyone have any final comments? Mr. Smith?

Mr. SMITH. No, sir. Thank you for keeping us on the ball. This is very important to us as well.

Mr. MICA. I am sure you enjoy this. Maybe later on you can have some root canal work done.

Mr. SMITH. This is very important to us as well.

Mr. MICA. To get even, on Monday at 7 o'clock, I will be in the dental chair myself, so you can take some consolation in that torture of Mr. Mica.

Mr. Goldstein?

Mr. GOLDSTEIN. I appreciate the opportunity to be here and look forward to testifying again in May, sir.

Mr. MICA. We will continue on this. We only have, like I said, 13,995. Much to the chagrin of folks, I am back in Congress and can continue to do this, and will, because I think it is important.

Dr. Padron?

Mr. PADRON. Just to thank you, Mr. Chairman, for caring.

Mr. MICA. Well, thank you again, our witnesses and this opportunity to hear about a particular situation in Miami with the Dyer Federal Courthouse, was also Federal properties, the Ferguson Building, other Federal assets throughout the region and the United States that are under-utilized. This is a field hearing and just a small, myopic view of one situation and one instance where we have, unfortunately, poor public policy in place and lack of action to resolve fiscal issues. When you add them up across the country, they account for not only millions but billions of taxpayer dollars.

So it is my intention to continue this effort. I thank everyone for cooperating in this hearing. We do, with the cooperation of the mi-

nority, intend to leave the record open for a period of two weeks. We may have some additional questions for our witnesses, and we may also have you or others offer to the committee additional testimony that would be included as part of the record.

Mr. MICA. There being no further business before the Subcommittee on Government Operations, this hearing is adjourned. Thank you.

[Whereupon, at 4:17 p.m., the subcommittee was adjourned.]

Dyer Courthouse and Ferguson Courthouse

- Four GSA court facilities comprise **Federal Courthouse Square** in Miami-Dade.
 - David W. Dyer Federal Building and U.S. Courthouse
 - Wilkie D. Ferguson, Jr. U.S. Courthouse
 - C. Clyde Atkins U.S. Courthouse
 - James L. King Federal Justice Center

The Dyer Courthouse

- The Dyer Courthouse was built in 1933, and designated as a historical building in 1983
- **179,000 gross square feet on 1.6 acres** of land
- The Dyer Courthouse has been vacant for five years, since 2008 when the Ferguson Courthouse opened across the street.
- It costs taxpayers **\$1.2 million** per year in maintenance costs. (\$6 million over five years)
- The Dyer Courthouse needs **\$60 million** in repairs and renovations due to an extensive mold problem.
- The Dyer Courthouse currently shares facilities with the Atkins Courthouse, including utility infrastructure, parking, and tunnels.
 - Separating these facilities would cost **\$10 million**, according to GSA.
- On August 1, 2012, GSA issued a Request for Information (RFI) from the development community.
 - 24 companies indicated interest in the vacant Courthouse.
 - GSA received 2 formal responses to the RFI, neither of which presented a workable plan.
- GSA is preparing due diligence for a Report of Excess while assessing other reposition options.

The Ferguson Courthouse

- The Ferguson Courthouse was built to supplement the Dyer Courthouse, but the Dyer Courthouse was left vacant once the Ferguson building was completed.
- The Ferguson Courthouse, according to GAO has:
 - **238,000 extra square feet constructed**
 - **\$3.8 million** of annual rent, operation and maintenance costs for extra space
 - **\$48.5 million** extra construction costs for extra space
- In 2010, the Ferguson Courthouse had **26 courtrooms** for 26 judges.
 - The Ferguson Courthouse could accommodate these judges in just **15 courtrooms** under a dedicated sharing model

Federal Courthouse Construction

- Between 2000 and 2010, extra space in Courthouses cost
 - **\$835 million** to construct
 - **\$51 million annually** in rent, operation and maintenance costs
 - **\$40 million** in increased rent payments and **\$11 million** in extra operation and maintenance costs
- The federal government built 33 federal courthouses since 2000
 - 32 of 33 federal courthouses were overbuilt by **3.56 million square feet**.
 - approx. the size of 9 average-sized courthouses
- **15 of 33** new courthouses exceeded their congressionally authorized size by more than 10 percent
 - **12 of 33** new courthouses had total project costs that exceeded the estimates provided to congressional committees
- 23 courthouses built overestimated the number of judges who would be located in them, causing higher than necessary costs.
- In 2010, the judiciary had **26 percent fewer judges** than its original estimates in their 10-year planning period.
- More recently, GAO found that GSA has not conducted proper oversight, including not ensuring space measurement policies were understood and followed, which contributed to size overages

RESOLUTION NO. 05/2013

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIAMI DOWNTOWN DEVELOPMENT AUTHORITY ("DDA") OF THE CITY OF MIAMI, FLORIDA SUPPORTING THE PUBLIC BENEFIT CONVEYANCE OF THE DAVID W. DYER U.S. COURTHOUSE TO MIAMI DADE COLLEGE AND URGING CONGRESS AND THE U.S. GENERAL SERVICES ADMINISTRATION TO EXPEDITE THE CONVEYANCE PROCESS.

WHEREAS, the 2025 Downtown Miami Master Plan advocates promoting the presence of Miami Dade College in order to enhance Downtown's position as the business and cultural epicenter of the Americas; and

WHEREAS, Miami Dade College provides a significant economic impact to Downtown Miami, providing millions in local spending, added income, and social savings each year; and

WHEREAS, on August 1, 2012, the U.S. General Services Administration issued a Request for Information (RFI) from parties interested in "redeveloping and preserving" the David W. Dyer U.S. Courthouse (Dyer Building), in conjunction with determining whether to declare the building surplus; and

WHEREAS, Miami Dade College submitted a response to the RFI and has expressed its interest in receiving the Dyer Building by way of a public benefit conveyance, for use as a cultural and educational complex incorporating classrooms, the College's Law Center, and multipurpose exhibition, lecture, performance, and event spaces; and

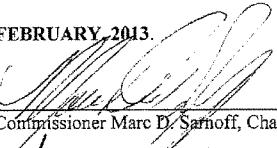
WHEREAS, the DDA Board of Directors strongly supports this proposal on the basis of the College's excellent track record in managing and programming historic properties such as the Freedom Tower and Little Havana's Tower Theater, as well as its ability to serve the Downtown community as a leader in educational and cultural enrichment.

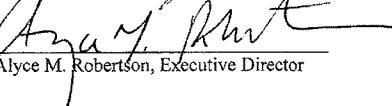
NOW, THEREFORE, be it resolved by the Board of Directors of the Miami Downtown Development Authority of the City of Miami, Florida:

Section 1. The recitals are true and correct and are adopted by reference and incorporated as if fully set forth in this Section.

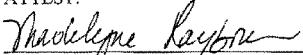
Section 2. The DDA Board of Directors supports Miami Dade College's request for public benefit conveyance of the David W. Dyer U.S. Courthouse and urges Congress and the U.S. General Services Administration to expedite the conveyance process.

PASSED AND ADOPTED THIS 15th DAY OF FEBRUARY, 2013.


Commissioner Marc D. Sarnoff, Chairman


Alyce M. Robertson, Executive Director

ATTEST:


Madelyne Raybourn, Secretary to the Board of Directors

2012-2013 OFFICERS

PRESIDENT

Olga Vieira

FIRST VICE PRESIDENT/**TREASURER**

Brian Alonso

SECOND VICE PRESIDENT/**MEMBERSHIP**

Judy Pruitt

SECRETARY

Francena Koch

AT LARGE

Dolly MacIntyre

Enid C. Pinkney

PAST PRESIDENT

Bertram "Chico" Goldsmith

TRUSTEES

Marcia Anderson

Federico Fernandez

Joseph Furst

Matthew Greer

Linda Collins Hertz

Dwight Hill

Ruth Jacobs

Megan Kelly

Lois Randall

Vinson Richter

Susan Shelley

Scott Silver

Sandra Suarez

Venny Torre

Todd Tragash

Lilian Walby

B.R. "Randy" Witt

Aymee V. Zubizarreta

ADVISORS

Walter Alvarez

Gay Bondurant

Ann Marie Clyatt

Gary Held

Adolfo Henriquez

Jorge Hernandez

Sallye Jude

Penny Lambeth

Nancy Liebman

Bruce Matheson

Thomas J. Matkov

William Murphy

George Nearnay

Leslie Pantin

Arva Moore Parks

Rafael Penalver

Elizabeth Plater-Zyberk

Jeanette Poole

Norah Schaefer

Don Slesnick II

Herb Sosa

Ellen Uguzzoni

Mary Young

CEO

Becky Roper Matkov



February 15, 2013

To whom it may concern:

Dade Heritage Trust, Miami's largest nonprofit historic preservation organization, enthusiastically supports the efforts of Miami Dade College to acquire the Dyer Building for use by the college for educational purposes.

We consider the National Register-listed Dyer Building to be one of Miami's great historic structures. The building was constructed in 1931 as Miami's main postal facility, and after 1978 became the U.S. Federal Courthouse. Designed by Phineas Paist, the building is Neoclassical Revival in design with Mediterranean influences in the use of arches and wooden coffered ceilings over the entrance lobbies. An inner courtyard is ornamented with stone and porticos. Denman Fink, designer of the Venetian Pool and many of Coral Gables' entrances, fountains and plazas, painted the impressive mural in the second floor central courtroom. This painting, with justice as its theme, depicts Miami's evolution from wilderness to modern city and has appeared in numerous publications.

This landmark deserves to be treated with respect and loving care.

Miami Dade College has an excellent track record of renovating for community use historic structures, especially the Freedom Tower.

There could be no better steward for Miami's Freedom Tower, a National Historic Landmark that Dade Heritage Trust for years had fought to save from neglect and then overdevelopment by private owners. We were delighted when the developer donated the Freedom Tower to Miami Dade College, which has used its financial, administrative and creative resources to preserve and re-use this architectural and cultural treasure. In fact, for its preservation work on the Freedom Tower, Miami Dade College was presented Dade Heritage Trust's Outstanding Restoration Award in 2012.

Miami Dade College should be given the opportunity to save the Dyer Building for Miami's future.

Sincerely,

Becky Roper Matkov, CEO

190 S.E. 12th Terrace, Miami, FL 33131 • Phone (305) 358-9572 • Fax (305) 358-1162
dadeheritage@dht.comcastbiz.net • www.dadeheritagetrust.org

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CHAMBERS OF
FEDERICO A. MORENO
CHIEF U.S. DISTRICT JUDGE
UNITED STATES COURTHOUSE
THIRTEENTH FLOOR
400 NORTH MIAMI AVENUE
MIAMI, FLORIDA 33128

March 7, 2013

Dr. Eduardo J. Padron, Ph.D.
President, Miami-Dade College
300 N.E. 2nd Avenue
Miami, Florida 33132

Re: Dyer Building

Dear Dr. Padron:

I am in receipt of your letter dated January 14, 2013, which I circulated to my colleagues in our district. In that letter you shared Miami Dade College's interest in converting the vacant David W. Dyer U.S. Courthouse into an educational and cultural center serving the entire community. The judiciary's policy making body is the Judicial Conference headed by the Chief Justice of the United States John Roberts. Therefore, any official position on the use of facilities comes from the Conference's Executive Committee, its Space and Facilities Committee and the Director of the Administrative Office of the Courts in Washington, D.C., Judge Thomas Hogan. On a personal level, having presided over trials in the Dyer Courthouse when I was first appointed in 1990, I can appreciate your vision for securing a better future for this vacant and rapidly deteriorating historic courthouse building.

Miami Dade College has long been a good neighbor to the federal courthouse complex. Your work and impact on our community has contributed significantly to the revitalization of downtown Miami and the entire South Florida community. In addition, your commitment to historic preservation has been made apparent through the beautiful restoration you have completed of the Freedom Tower -- a landmark building located three blocks from our location. The Freedom Tower which is now serving as an educational and cultural center underscores your commitment to bringing new life to underutilized properties. It serves to showcase the potential future that awaits the Dyer Courthouse.

The Courts are tenants of the courthouses owned by the General Services Administration. The judiciary no longer pays rent for the Dyer Courthouse and as such has no say as to what GSA should do with this vacant building. Our only concern is to have the most suitable neighbors possible. It is evident that your conversion plan represents a significant improvement from the building's current status, without any negative impact on the judges' daily tasks in the surrounding building. Although the judges would prefer to have Bankruptcy Court move into the Dyer Courthouse, the exorbitant and unreasonable costs (\$60 to \$100 million!) given by

GSA to repair the Dyer Courthouse, precludes any use of it by the judiciary. The fact that the college could remedy the building for a fraction of GSA's outrageous estimate, is of substantial benefit to the public and the United States government.

The judges' only concerns over a conveyance to the college of the Dyer Courthouse are security and open access to the Dyer central historic courtroom. I accept your assurances that the college is fully committed to addressing our security concerns and building issues including negotiating a mutual agreement regarding the building mechanical systems.

Working together with court local and federal partners, I believe we will be able to address all of these issues in a satisfactory manner. The end result will be a positive one for our entire community and we can continue to be good neighbors.

Sincerely,



FEDERICO A. MORENO
Chief U.S. District Judge

FAM/smcc
cc: Chief Judge Joel Dubina
Judge Frank Hull, 11th Circuit
All Southern District and Magistrate Judges
Steve Larimore, Clerk of Court

